

AR53

Annual Report 1972

Anglo American Corporation of South Africa Limited

Cover: A specimen, greatly magnified, of cobalt minerals occurring in oxidized copper/cobalt ores. The dark growth, green botryoidal kolwezite, is surrounded by cobaltian dolomite

Notice to members 2

Introduction 3

The year in brief 5

Directorate 7

Administration 8

Report of the directors 9

Accounts 41

Profile of the Group 53

Aandeelhouers wat hierdie verslag in Afrikaans verlang, word versoek om in verbanding te tree met die oordragsekretarisse

HEAD OFFICE

44 Main Street, Johannesburg
P.O.Box 61587 Marshalltown, Transvaal

TRANSFER SECRETARIES

Consolidated Share Registrars Limited
62 Marshall Street, Johannesburg
P.O.Box 61051 Marshalltown
Transvaal, and

Charter Consolidated Limited
Kent House, Station Road
Ashford, Kent
England

ANGLO AMERICAN
CORPORATION
OF SOUTH AFRICA
LIMITED

Incorporated in the Republic of South Africa

56th Annual Report · 1972

Notice to members

Notice is hereby given that the fifty-sixth annual general meeting of members of Anglo American Corporation of South Africa Limited will be held at 44 Main Street, Johannesburg, on Friday, 15th June 1973, at 11 a.m., for the following business:

- 1 To receive and consider the balance sheet at 31st December 1972 and the accounts and the reports of the directors and of the auditors for the year ended on that date.
- 2 To elect directors in accordance with the provisions of the Corporation's articles of association.
- 3 To fix the remuneration of the auditors for the past audit.

The head office and United Kingdom transfer registers and the registers of members of the Corporation will be closed from 9th June to 15th June 1973, both days inclusive.

Holders of share warrants to bearer who are desirous of attending in person or by proxy or of voting at any general meeting of the Corporation must comply with the regulations of the Corporation under which share warrants to bearer are issued.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and speak and vote in his stead. A proxy need not be a member of the Corporation.

By order of the board
J. T. GOLDFINCH
Managing Secretary

17th May 1973
Registered Office
44 Main Street
Johannesburg

Anglo American Corporation is the head of an international group of mining, industrial and investment companies. In mining, the Group and its close associates, De Beers Consolidated Mines and Charter Consolidated, London have important interests in the production of gold and uranium, copper and nickel, coal, tin, potash, asbestos, diamonds, iron ore, lead, platinum, zinc and wolfram. In industry the Group's interests range from steel-making and heavy engineering to construction, motor vehicles, paper and textiles, chemicals, drilling tools, refractories and foodstuffs. The Group is also active in property development in southern Africa and in insurance, merchant banking and the discount market, and computer services.

The Corporation's investments are held mainly through a number of specialised companies: Anglo American Gold Investment Company for the gold mining interests; Anglo American Investment Trust for the diamond mining and marketing companies; Anglo American Industrial Corporation for the industrial and commercial holdings; and, on a geographical basis, Zambian Anglo American, Anglo American Corporation Rhodesia, Anglo American Corporation of Canada, Australian Anglo American, and H.D. Development for the United States. Coal interests are held chiefly through African and European Investment Company and Vereeniging Estates, while Rand Selection Corporation, with which the Corporation has been closely associated since its formation, holds a diversified spread of investments similar to those of Anglo American Corporation itself.

The term 'group' has a wider meaning in the South African mining industry than its statutory definition of a parent company and subsidiaries. The mining finance houses in South Africa have traditionally operated 'the group system', whereby the parent house not only plays a role in the administration of companies that are not necessarily subsidiaries, but provides them with a full range of administrative and technical services and is able, by virtue of its financial strength and standing, to assure them of capital for expansion and development. Thus the Anglo American Corporation Group comprises a large number of companies that are closely linked to the Corporation but in which its direct and indirect shareholdings, though substantial, are generally less than 50 per cent. De Beers and Charter are separate organisations, not members of the Group, though they do draw upon the Corporation's technical services.

The philosophy underlying the Corporation's activities has not

changed. There have been only two chairmen, Sir Ernest Oppenheimer, who was chairman from the formation of the Corporation until his death 40 years later in 1957 and his son, Mr Harry Oppenheimer. Sir Ernest defined the aim of the Corporation as being to make profits for its shareholders but to do so in such a way as to make a real and permanent contribution to the welfare of the countries where it operates. The present chairman has stated that this remains our policy. 'We bring to our task,' added Mr Oppenheimer, 'long and wide experience in many parts of Africa and great goodwill and faith, not only in the material but also in the human potential of the continent.'

The Corporation's roots are firmly planted in South Africa where it began; its chief interests are still in southern and central Africa and are continuing to grow there, both in mining and in a wide range of industries. But to an increasing extent its resources are now being applied internationally in mining and related fields, directly through Anglo American Corporation of Canada, Australian Anglo American and other Group companies, and indirectly through Charter and other associates. Geological exploration similarly has become world-wide. While southern and central Africa remain the main areas of activity, the Group is also involved in prospecting programmes in North America, Australia, the Far East and Europe.

The Corporation's original capital in 1917 was £1 million, which was raised from British, American and South African sources—hence the title 'Anglo American Corporation of South Africa'. The present capital and reserves exceed R318 million, and the Corporation's investments at the end of 1972 were valued at R1 262 million. The mining, industrial and property companies administered by the Group are valued at about R2 400 million.

The scale of mining operations is indicated by the fact that in 1972 the Group was responsible for 41 per cent of South Africa's gold output, equivalent to 32 per cent of world production (excluding Communist countries), 30 per cent of South Africa's coal and about one-third of its uranium. Mines managed by the Group produced 62 per cent of Zambia's copper, equivalent to more than six per cent of world production.

With nearly 20 000 shareholders, the ownership of Anglo American Corporation is widely spread. For many years the majority of the share capital has been held in South Africa, with Britain and other European countries holding about 40 per cent.



Bamangwato Concessions' copper/nickel mine at Pikwe, Botswana, will come into production early next year. To minimise ground pollution waste gases from the smelter will be discharged through a stack 153 metres high

The year in brief

The consolidated profit of Anglo American Corporation increased by R4,4 million, or 10,7 per cent, to R45,7 million, which after deduction of preferred dividends is equivalent to 34,9 cents an ordinary share. The total dividend on the ordinary shares was increased by two cents to 19 cents a share. Consolidated investment income increased by R3,8 million, or 9,2 per cent, to R44,7 million.

INVESTMENTS

The value of the Corporation's investments at R1 262 million was R335 million higher than at the end of last year, largely because of higher market values. An analysis by primary source of the Corporation's direct investments and the underlying investments of the holding companies in which it is interested is given in the table opposite. The Corporation and its associated finance companies had interests valued at about R1 100 million in the mining, industrial and property companies that the Corporation administers, and the total value of these companies amounted to about R2 400 million. In addition, the interests of the Corporation and its finance companies in companies administered outside the Group, such as De Beers, Charter Consolidated and Engelhard Minerals & Chemicals, were valued at more than R1 600 million. The overall value of the interests of the Corporation and its finance companies at the end of 1972 was therefore about R2 700 million, and the overall size of the Anglo American Corporation Group was approximately R4 000 million.

LOANS

To finance new investment opportunities and particularly to fund the U.S.\$16,3 million loan which matured on 29th February 1972 and the Swiss francs 50 million loan which matured on 23rd December 1972, the Corporation in February 1972 raised a U.S.\$50 million 7½ per cent 1987 loan.

On 15th November 1972 the Corporation raised a Swiss francs 50 million 5½ per cent 1987 loan to repay instalments totalling Swiss francs 43 million on other loans and for general corporate purposes.

INVESTMENT COMPANIES

The Scheme of Arrangement whereby West Rand Investment Trust acquired Orange Free State Investment Trust (OFSIT) and changed its name to Anglo American Gold Investment Company (Amgold), was approved by OFSIT shareholders on 24th May 1972 and sanctioned by the Court on 30th May. Amgold had a very successful first year, benefiting from the substantial increase in the free market price of gold.

Rand Selection's consolidated income for the year to 30th September 1972 was R21,7 million compared with R21,0 million the previous year and the value of its investments increased by R301 million to R713,5 million. The benefits of the higher gold price on the company's investment income will be reflected in the company's current financial year.

	VALUE OF INVESTMENTS*		INCOME FROM INVESTMENTS*	
	Percentage	1972	Percentage	1972
Gold	25	22	31	28
Diamonds	26	25	19	18
Coal	2	3	3	4
Copper	5	6	14	20
Platinum	4	1	3	2
Other mining	6	6	4	5
Industrial	21	25	14	12
Property	3	3	2	2
Finance	8	9	10	9
	100	100	100	100

*Includes unquoted investments at book value. Interests attributable to outside shareholders in subsidiary companies are excluded

GOLD

Mainly as a result of mining the lower grades of ore made economic by the improvement in the gold price, production by Group mines fell by 11 300 kilograms to 373 600 kilograms; this was equal to 41 per cent of South African production and to 32 per cent of world production (excluding Communist countries).

Working costs at the Group mines increased by 11,5 per cent to R8,85 a ton milled absorbing a large part of the additional revenue attributable to the higher price of gold. Working profits, at R250,2 million, were up by 58 per cent but lease and tax payments on these profits amounted to R108,7 million, being R48,5 million, or 80,6 per cent, higher than in 1971. Dividends paid by Group mines, excluding inter-company dividends from Freddies Consolidated and Free State Saaiplaas, rose by R17,4 million to R89,5 million.

Higher prices have stimulated exploration programmes, particularly in areas adjacent to Group mines and in areas surrounding the Orange Free State and Klerksdorp goldfields.

URANIUM

The Group produced 1 080 tons of uranium compared with 1 132 tons in 1971. Working profit from uranium and acid rose from R3,2 million to R4,0 million. Supplies of uranium continue to exceed demand and the short-term market remains depressed.

DIAMONDS

Sales of gem and industrial diamonds through the Central Selling Organisation set a new record of R655 million, which was 47 per cent higher than in 1971 and 32 per cent above the previous record achieved in 1969. The favourable sales trend is expected to continue in 1973. The output of De Beers Consolidated Mines rose by 5,9 per cent to 4 161 484 carats. A decline in output of the Kimberley mines

was more than offset by a full year's operation at Koffiefontein, which produced 307 652 carats, and an increase in production to 2 478 875 carats at Finsch. Production of 1 596 144 carats at Consolidated Diamond Mines of South West Africa and of 2 453 634 carats at the Premier mine showed little change. The consolidated net profit attributable to De Beers increased by R60 million to R163 million.

The Orapa mine in Botswana was officially opened in May 1972 by His Excellency Sir Seretse Khama. Production in the first full year of operation was 2 402 936 carats.

COPPER AND OTHER MINING

Production of finished copper by Nchanga Consolidated Copper Mines (NCCM), in which the Zambian government has a 51 per cent interest, rose by 31 963 tons to a record 433 434 tons. Sales of copper rose by K29.4 million to K335.0 million.

Zambia Broken Hill, a division of NCCM, produced 82 608 tons of lead and zinc; this was 2 718 tons less than last year owing to a shut-down of the Imperial Smelting Furnace.

Work on bringing the Bamangwato Concessions nickel-copper mine at Selebi-Pikwe, in Botswana, to production continued substantially on schedule and production is expected to start early in 1974. In April 1972 Botswana RST (BRST) raised R19.6 million by a rights issue. The Group holds nearly 30 per cent of BRST.

The development of the Cleveland potash mine in Yorkshire, England, jointly owned by Charter and associates and Imperial Chemical Industries, progressed satisfactorily despite delays in some sections of the work. It is still anticipated that production will start in the second half of 1973.

Net earnings of Hudson Bay Mining and Smelting, before deduction of an extraordinary item—a loss of \$8.5 million (Canadian)

at the Wellgreen mine—were \$11.4 million or \$1.26 a share. This should not be compared with 1971 as the results in that year were seriously affected by the five-month strike at the company's Flin Flon and Snow Lake mines.

COAL

Working profit of Group collieries in South Africa increased by R1.4 million, or 17.1 per cent, to R9.6 million, largely because of the higher controlled selling prices of coke and coal that were awarded in February and May 1972. However, an unprecedented rate of cost escalation has seriously impaired the profitability of the industry.

INDUSTRY AND COMMERCE

The estimated value of the industrial and commercial companies administered by the Corporation was approximately R600 million, an increase of 25 per cent over 1971.

With the surmounting of certain technical difficulties and an improving market situation, particularly for vanadium, Highveld Steel and Vanadium Corporation achieved a profit of R3.5 million in the six months to December 1972, following a loss of R1.6 million in the year to 30th June 1972. A R14 million expansion programme is being undertaken.

PROPERTY

The property companies administered by the Corporation had a value of approximately R140 million, the same as at the end of 1971. AMAPROP, the Group's principal property vehicle, is expected to report sharply reduced profits for its financial year to 28th February 1973. The Carlton Hotel, part of the Carlton Centre project, opened in October 1972 and construction work on the whole complex is expected to be completed by the end of 1973.

Directorate

CHAIRMAN

H. F. Oppenheimer

JOINT DEPUTY CHAIRMEN

Sir Keith Acutt, K.B.E. (British)
W. D. Wilson

DIRECTORS

D. O. Beckingham
F. S. Berning
W. G. Boustred
E. T. S. Brown
Sir Frederick Crawford, G.C.M.G., O.B.E. (British)
G. C. Fletcher, M.C.
H. R. Fraser (British)
W. S. Gallagher
C. J. L. Griffith
M. B. Hofmeyr
N. K. Kinkead-Weekes (British)
Sir Philip Oppenheimer (British)
G. W. H. Relly
Sir Albert Robinson (British)
M. W. Rush
J. W. Shilling
S. Spiro, M.C.
J. Ogilvie Thompson
G. H. Waddell

ALTERNATE DIRECTORS

G. A. Carey-Smith (British)
C. Carrington (British)
Dr Z. J. de Beer
H. K. Davies
Dr H. B. Dyer
D. A. Etheredge, O.B.E. (British)
E. P. Gush
W. J. Héfer
D. B. Hoffe
F. J. A. Howard
A. Johnstone
P. J. R. Leyden
A. B. McKerron
C. D. M. Melville
E. S. Newson, O.B.E. (British)
D. G. Nicholson (British)
M. C. O'Dowd
B. W. Pain (British)
A. Wilson

Administration

EXECUTIVE COMMITTEE OF THE BOARD

H. F. Oppenheimer
Sir Keith Acutt
G. C. Fletcher
M. B. Hofmeyr
G. W. H. Relly
Sir Albert Robinson
M. W. Rush
S. Spiro
J. Ogilvie Thompson
G. H. Waddell
W. D. Wilson

MANAGERS

F. S. Berning
B. E. Bullett
G. A. Carey-Smith
H. K. Davies
Dr Z. J. de Beer
M. W. Dunningham
Dr H. B. Dyer
D. A. Etheredge
H. R. Fraser
C. J. L. Griffith
E. P. Gush
W. J. Héfer
D. B. Hoffe
F. J. A. Howard
A. Johnstone
N. K. Kinkead-Weekes
O. P. Koevort
S. B. Kossuth
P. J. R. Leyden
A. B. McKerron
C. D. M. Melville
D. G. Nicholson
M. C. O'Dowd
B. W. Pain
J. W. Shilling
A. Wilson

MANAGING SECRETARY

J. T. Goldfinch

TREASURER

A. W. Mollatt

CHIEF ACCOUNTANT

G. C. Leeman

ECONOMIC CONSULTANT

A. B. Dickman

EMPLOYMENT PRACTICES CONSULTANT

Dr A. L. Boraine

MEDICAL CONSULTANT

Dr J. L. C. Whitcombe

CHIEF PERSONNEL CONSULTANT

E. N. Cathrine

PERSONNEL CONSULTANTS

N. D. Morgan
P. J. Oelofse
F. J. Worth

PUBLIC RELATIONS CONSULTANT

B. R. Mortimer

TECHNICAL DIRECTOR

W. S. Gallagher

DEPUTY TECHNICAL DIRECTORS

A. H. Gyngell
D. E. MacIver
E. T. Pinkney
M. W. Stephenson

CONSULTING ARCHITECT

D. R. Yetton

CONSULTING ENGINEERS

A. I. Beck
T. A. J. Braithwaite
R. Daniel
S. F. Gandar
V. W. Hall
S. A. Hancox
K. C. G. Heath
J. D. Johnson
W. R. Lawrie
T. Lee-Jones
A. R. McLeod
R. A. Mudd
G. Y. Nisbet
T. L. Pretorius
H. Smith
H. J. Stucke
P. M. C. Wilson

CONSULTING DEVELOPMENT ENGINEER

I. F. Cairns

CONSULTING MECHANICAL AND ELECTRICAL ENGINEERS

P. P. Coetser
A. W. D. Darvall
A. P. de Klerk
S. D. Dickens
G. D. Griesel
D. H. Hillhouse
C. P. A. Louwrens
K. N. Love
J. C. Martens
A. G. V. Pearce
S. Sheer
D. W. Wantenaar
C. S. West
G. H. R. Wingate

CONSULTING GEOLOGISTS

Dr F. W. D. Cornwall
Dr P. V. Freeman
Dr J. B. Howkins
Dr E. Hyman
Dr D. M. McKinnon
Dr L. G. Murray
Dr H. J. Nel
Dr J. F. Osten
Dr P. J. Pienaar
Dr D. A. M. Smith

DIRECTOR OF RESEARCH

Dr M. G. M. Atmore

CONSULTING METALLURGISTS

I. R. M. Chaston
N. Gibson
A. L. Guise-Brown
J. A. Holmes
W. T. Ruhmer
J. F. Slabbert
D. J. Tutt

CONSULTING CIVIL ENGINEER

D. W. Standish-White

CONSULTING ELECTRICAL ENGINEER

A. S. Adams

PRINCIPAL OFFICES

Head Office
44 Main Street, Johannesburg
Australia
Australian Anglo American Limited
60 Market Street, Melbourne
Secretary: P. J. Eustace

Botswana
Anglo Botswana Services (Proprietary) Limited
Tswana House, The Mall
Gaborone, Botswana
Secretary: H. F. Rose

Canada
Anglo American Corporation of Canada Limited
Toronto-Dominion Centre, Toronto 111
Secretary: T. P. Sullivan

Rhodesia
70 Jameson Avenue Central, Salisbury C.4
Managing Secretary for Rhodesia: I. M. Cowan

United Kingdom
40 Holborn Viaduct, London, England EC1P 1AJ
Joint London Secretaries: D. S. Booth and E. Burrows

Zambia
Anglo American Corporation (Central Africa) Limited
74 Independence Avenue, Lusaka
Secretary: R. V. C. Asherwood

Report of the directors

Comments on the accounts	11
Finance and investment	12
Gold	16
Diamonds	19
Copper and other mining	23
Coal	26
Industry and commerce	28
Property	35
Exploration and research	37
General	40



Comments on the accounts

Net profit increases by 10,7 per cent

The comments that follow relate to the consolidated balance sheet and the consolidated profit and loss account of the Corporation which appear on pages 44 to 46.

CAPITAL

The authorised capital remained unchanged during the year at R20 000 000. Staff options over 37 800 ordinary shares of ten cents each were exercised during the year and options over 10 500 ordinary shares lapsed. Accordingly at 31st December 1972 there were 129 858 200 ordinary shares in issue and there remained 524 700 shares under option of which 300 800 were at an option price of 650 cents a share and 223 900 at 537 cents a share. Since the end of the financial year options on a further 12 100 shares have been exercised on which the 1972 final dividend is payable. Thus a total of 129 870 300 ordinary shares rank for the final dividend and 512 600 shares remain under option at the date of this report.

LOAN CAPITAL

As reported last year the Corporation raised, in February 1972, a U.S.\$50 000 000 Eurobond loan bearing interest at $7\frac{1}{2}$ per cent. The proceeds of the issue were used to repay the U.S.\$16 273 000 loan which matured in that month and the Swiss francs 50 000 000 loan which matured in December 1972. The balance will be used to take advantage of opportunities for new business.

On 15th November 1972 the Corporation raised a new loan of Swiss francs 50 000 000 through a syndicate managed by the three leading Swiss banks. The loan, which was issued at $98\frac{1}{2}$ per cent, bears interest at $5\frac{3}{4}$ per cent and is repayable by 15th November 1987, subject to the undertaking that the Corporation will, if possible, purchase in the market for cancellation up to Swiss francs 7 500 000 of the loan at prices not exceeding par in each of the four 60-day periods prior to 15th November in the years 1983 to 1986. The Corporation has the right to redeem the full loan earlier, at a premium of four per cent reducing to $\frac{1}{2}$ per cent, on any annual interest payment date in the years 1974 to 1981 and thereafter at par. The proceeds of the loan, which is covered by forward exchange contracts, were used to repay the temporary loan of Swiss francs 10 754 000 raised to meet the instalment due on 15th July 1971 on the 1962 Swiss franc 50 000 000 loan. A further Swiss francs 10 754 000 was used to meet the 1972 instalment and Swiss francs 21 509 000 has been set aside to meet the 1973 and 1974 instalments which, it has now been agreed, will both be paid on 15th July 1973.

As a result of continuing fluctuations in currency exchange rates, the Corporation's rand obligation has changed in respect of foreign loans not covered by forward exchange contracts. As the funds so raised were at the time immediately invested abroad a corresponding adjustment has been made to the book cost of such investments, the value of which stand well above book cost.

PROFITS AND APPROPRIATIONS

The consolidated profit for the year increased by R4 409 000, or 10,7 per cent, to R45 665 000. The growth in profits has been 48 per cent over the last five years and 133 per cent since 1962 when they amounted to R19 565 000. Income from investments again rose substantially this year, by R3 773 000 to R44 679 000. Charter Consolidated Limited, in which the Corporation holds a substantial interest, announced at the time of the declaration of its usual interim dividend in November 1972 that it was deferring the payment of such dividend from December 1972 to April 1973 so that the company could benefit from the transitional provisions of the United Kingdom Finance Act 1972, this change in its payment pattern to apply in this instance only. The Corporation's practice is to accrue in its annual accounts those dividends for which the last date to register falls within the financial year. In this instance, to avoid distortion, the dividend has been included in the 1972 income from investments. The net earnings from interest, fees and other sources after deducting administration expenses and interest paid were virtually unchanged at R15 719 000 compared with R15 834 000 last year. The surplus on realisation of investments after deducting a provision against investments was R49 000 compared with R1 064 000 in 1971. Costs of prospecting fell by R2 616 000 to R3 544 000. No loss was incurred on or provision necessary against loans this year; last year there was a charge of R2 858 000 under this heading. Taxation absorbed R4 409 000, and the interests of outside shareholders in the profits of subsidiaries increased by R942 000 to R4 453 000.

The profit for the year was dealt with as follows:

Profit for the year	R45 665 000
<i>Dividends on preferred stock:</i>	
No. 86 of three per cent, declared on 6th June 1972	R143 000
No. 87 of three per cent, declared on 8th December 1972	143 000
<i>Dividends on ordinary shares:</i>	
Interim No. 72 of $5\frac{1}{2}$ cents per share, declared on 28th September 1972 (1971: 5 cents)	7 142 000
Final No. 73 of $13\frac{1}{2}$ cents per share, declared on 15th March 1973 (1971: 12 cents)	17 532 000
	24 960 000
Transferred to capital reserve	493 000
Transferred to general reserve	20 004 000
	45 457 000
Unappropriated profit brought forward from previous year	8 414 000
Adjustment thereto arising from the realignment of currencies	448 000
	8 862 000
Unappropriated profit 31st December 1972	R9 070 000

FINANCIAL STATISTICS

Financial statistics for the ten years 1963 to 1972 appear on page 52.

Finance and investment

Successful start for Amgold

The estimated value of the mining, finance, industrial and property companies administered by the Corporation was approximately R2 400 million at the end of 1972. The interests of the Corporation and its associated finance companies—listed in the table opposite—in this total amounted to about R1 100 million which, together with interests valued at almost R1 600 million in finance, investment and operating companies administered outside

Group—including De Beers Consolidated Mines Limited, Charter Consolidated Limited and Engelhard Minerals & Chemicals Corporation—makes the overall value of the interests of the Corporation and its associated finance companies some R2 700 million. This compares with the figure of R1 850 million for 1971.

The consolidated net profit of Rand Selection Corporation Limited for the year to 30th September 1972 rose by R692 000, or two cents a share, to R21,7 million, or 63,8 cents a share, and the dividend payment was increased by 2,5 cents to 45 cents a share. As the free market gold price rose above U.S.\$60 an ounce only in the latter half of 1972, Rand Selection's results to September 1972 do not reflect the benefits of this higher gold price.

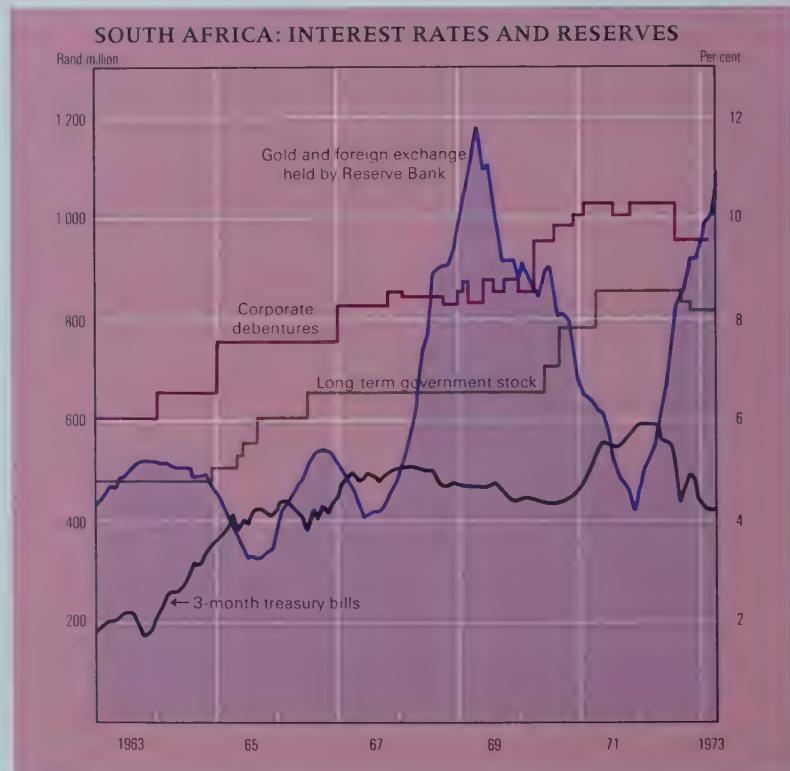
The major portion of Rand Selection's income is derived from investments in companies which do not distribute their earnings fully. If Rand Selection's share of these earnings were to be included, total earnings, after allowing for cross-holdings, would have been 112 cents a share, the same as last year. The value of Rand Selection's investments, taking quoted investments at market value (including the market value of the underlying Charter shares held by Rhocar Holdings Limited) and unquoted investments at book cost, increased by R301 million to R713,5 million in the year to 30th September 1972 and the book cost rose by R19,4 million to R238,2 million.

The Scheme of Arrangement whereby West Rand Investment Trust Limited (WRIT) acquired Orange Free State Investment Trust Limited (OFSIT) and changed its name to Anglo American Gold Investment Company Limited (Amgold) was approved by OFSIT shareholders on 24th May 1972 and sanctioned by the Court on 30th May 1972. The merged company, which now has a balanced portfolio of investments between mines with medium-term and long-term futures and forms the largest gold investment company in the world, has had a most successful start. Amgold reported consolidated equity earnings of R26 678 000 for the year to 31st December 1972 compared with R19 251 000 for the combined OFSIT and WRIT equity earnings the previous year, and paid a dividend of 90 cents a share as against the 70 cents forecast in the merger document in May 1972. The market value of quoted investments which had a book cost of R103 108 000 was R425 231 000

at 31st December 1972 compared with last year's market value of R243 943 000. With the acquisition of OFSIT, Amgold's cash resources were sufficient to enable it to redeem in November 1972 its R6 million $7\frac{1}{2}$ per cent preference shares, all of which were held by the Corporation.

The equity earnings of Anglo American Investment Trust Limited (ANAMINT) rose by R3,4 million to R19,9 million for the year to 31st December 1972. ANAMINT's major holding is 92 535 740 deferred shares of five cents each in De Beers Consolidated Mines Limited which, together with a relatively small holding in Anglo American Industrial Corporation Limited, had a market value of R638,5 million at 31st December 1972 compared with R432,1 million at the end of 1971. In addition ANAMINT has major shareholdings in certain unquoted diamond trading companies. In 1972 the net profit of De Beers increased by R60,7 million to R163,0 million and the total dividend was increased to 18 cents from 15 cents a share. ANAMINT received dividends totalling 16 cents a share from De Beers during its year to 31st December 1972 compared with 14 cents a share in its previous year and was able to increase its own dividend by 30 cents to a total of 190 cents a share.

Anglo American Industrial Corporation Limited (AMIC) earned a consolidated net profit of R10,9 million for the year to 31st December 1972 compared with R9,5 million the previous year and declared an increased dividend of $37\frac{1}{2}$ cents a share compared with



NET ASSET VALUES, PROFITS, EARNINGS AND DIVIDENDS OF THE MAJOR GROUP FINANCE COMPANIES

	Financial year ended	Net asset value based on consolidated balance sheet*		Consolidated profit after tax and outside interests		Equity earnings per ordinary share		Dividends per ordinary share	
		1972	1971	1972	1971	1972	1971	1972	1971
		R million	R million	R million	R million	cents	cents	cents	cents
Anglo American Corporation	31st December	1 058,4	749,9	45,7	41,3	34,9	31,5	19,0	17,0
Anglo American Corporation of Canada	31st December	C\$84,5	C\$83,3	C\$4,6	C\$2,3	C54,6	C27,4	C30,0	C30,0
Anglo American Corporation Rhodesia	30th June	Rh\$61,4	Rh\$50,9	Rh\$2,6	Rh\$2,1	Rh18,0	Rh14,9	—	—
Anglo American Industrial Corporation	31st December	190,9§	162,4	10,9§	9,5	50,2§	46,3	37,5	35,0
Anglo American Investment Trust	31st December	638,1	430,8	20,2	16,9	199,1	165,5	190,0	160,0
Anglo American Gold Investment	31st December	430,4	256,0†	27,1	19,7†	121,5	87,7†	90,0	65,0†
Rand Selection Corporation	30th September	665,8‡	379,1‡	21,7	21,0	63,8	61,8	45,0	42,5
Vereeniging Estates	31st December	53,4	50,1	4,9	4,9	179,3	177,9	110,0	110,0
Zambian Anglo American	30th June	£74,2	£71,5	£7,7	£13,9	24,2p	44,0p	22,5p	52,5p¶

*Quoted investments at market value at financial year end, unquoted at book value.

†Combined figures of Orange Free State Investment Trust and West Rand Investment Trust which company changed its name to Anglo American Gold Investment Company Limited on the acquisition by it of the entire issued share capital of Orange Free State Investment Trust.

‡Includes the shares in Charter Consolidated Limited held by Rhocar Holdings Limited at market value.

§Subject to final audit.

¶Includes special interim dividend No. 68 of 12,5p declared 16th October 1970 paid 30th November 1970.

35 cents in the previous year. AMIC's investments, including its major subsidiaries, Scaw Metals Limited and Boart and Hard Metals Products SA Limited, and its recent acquisition of the equity in S.A. Forest Investments Limited and of major holdings in Freight Services Holdings Limited and Bruynzeel Plywoods Limited, are reviewed in the Industry and Commerce section of this report on pages 28 to 35. It will be noted that while Scaw's profits increased by R459 000 to R4,5 million this year, Boart's declined from R1,68 million to R1,45 million.

The consolidated net profit attributable to the shareholders of Charter Consolidated Limited, the United Kingdom based mining finance company, decreased by £2,4 million or 15 per cent to £13,9 million in the year ended 31st March 1972 but the dividend was maintained at 8p a share. These results reflect the lower dividends from Zambian Anglo American Limited, which arose from the low copper prices and the fact that the dividends in the previous year from the Zambian mining companies represented more than a single year's profits—this was highlighted by the high level of double taxation relief received by Charter on those dividends. The results also reflect losses at Somima, the copper mine in Mauritania which has encountered persistent operating problems. These adverse factors offset an increase in the surplus on realisation of investments of £2,3 million to £3,4 million and an increase from £1,5 million to £1,8 million in the profit after tax of The Cape Asbestos Company

Limited, Charter's major industrial subsidiary. The book cost of Charter's investments at 31st March 1972 increased by £6,8 million to £150,4 million while the market value or directors' valuation of the investments rose by £5,8 million to £272,6 million. Charter's profits for the six months to 30th September 1972 were £5,9 million compared with £6,1 million earned in the corresponding period the previous year. In October 1972 Charter raised a loan of French francs 100 million to be used for the development of mining projects, and for new business opportunities.

Zambian Anglo American Limited (Zamanglo) draws the major portion of its income from its interest of slightly less than 50 per cent in Zambia Copper Investments Limited (ZCI). ZCI, in turn, derives its income mainly from its 49 per cent holding in Nchanga Consolidated Copper Mines Limited (NCCM) and its 12,25 per cent holding in Roan Consolidated Mines Limited (RCM).

To assist in financing their heavy capital expenditure, NCCM and RCM have raised loans and suppliers' credit facilities aggregating more than K200 million. In the year to 31st March 1972 NCCM earned profits after tax of K68,3 million, compared with K96,9 million for the previous 15 months. An amount of K30 million was appropriated for capital expenditure and dividends totalled K36 million compared with K51 million for the previous period. ZCI's dividend income from NCCM for the year to 30th June 1972 decreased by K1 151 000 to K9 997 000, in addition to a drop of



£686 000 to £1 015 000 in dividends from RCM. ZCI's profit for 1972 therefore was £11 741 000, compared with £13 979 000 for the year to 30th June 1971, and there was also a drop in dividends paid by ZCI from 15,417p a share to 9p a share. Zamanglo's consolidated net profits for the year to 30th June 1972 were £7 664 000 compared with £13 934 000 in the previous year. In the nine months to 31st March 1973 ZCI has declared dividends of 6,4p a share which compares with 6p a share for the corresponding period last year. Zamanglo earned £3 619 000 for the half year to 31st December 1972 compared with £3 785 000 in the half year to 31st December 1971 and the interim dividend was unchanged at 10p a share.

The interest of Anglo American Corporation and its associates of approximately 30 per cent in the common share capital of Engelhard Minerals & Chemicals Corporation (EMC) is now held through H.D. Development Limited, a Luxembourg subsidiary of the Corporation. EMC's consolidated net earnings for 1972 rose from U.S.\$31,2 million, before the extraordinary charges in 1971 of \$3,1 million, to \$36,6 million or on a fully diluted basis, from \$1,02 a share to \$1,19 a share and the annual dividend was maintained at 40 cents a share. The extraordinary charges in 1971 of \$3,1 million equalled 10 cents a share. EMC's principal activities are the refining, fabricating and marketing of precious metals; marketing of ferrous and non-ferrous ores, metals and minerals; mining, processing and distribution of non-metallic minerals.

The net income of Anglo American Corporation of Canada Limited (AMCAN) improved substantially in 1972 mainly as the result of higher dividend income from Hudson Bay Mining and Smelting Co. Limited whose earnings had been adversely affected the previous year by a strike which closed down its major mining operations for five months. Lower interest charges and better results from trading operations were other factors in the improvement in earnings. Net income of AMCAN was \$3,20 million (Canadian), or 38 cents a share, compared with \$1,17 million or 13,9 cents a share in the previous year. Not included in normal earnings were gains on realisation of investments of \$2,46 million. Dividends were maintained during the year at the rate of 30 cents a share. AMCAN's net asset value, taking quoted investments at market value, amounted to \$84,5 million at the end of 1972 compared with \$83,3 million a year earlier.

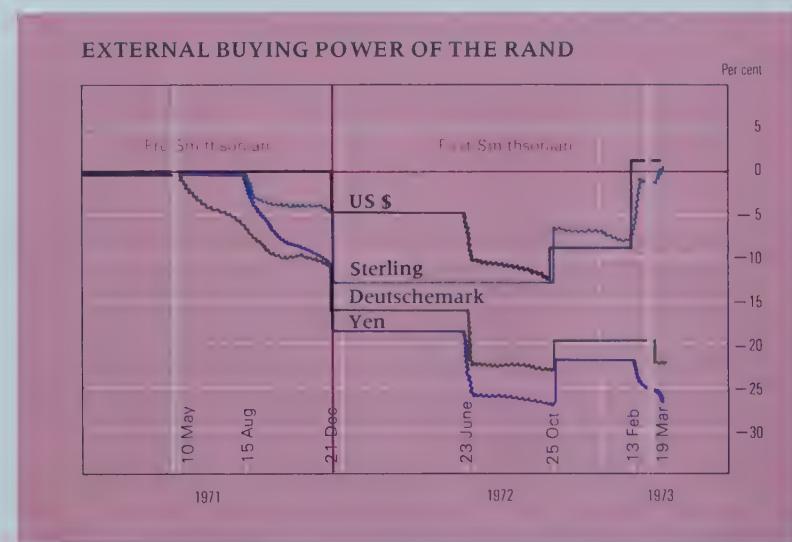
In August 1972 UAL Holdings Limited obtained a listing for its shares on The Johannesburg Stock Exchange by making a public issue of 1 966 000 shares of 50 cents each at 250 cents a share after having acquired that portion of the issued share capital of National Board of Executors Limited which it did not already own. UAL Holdings' profits for the year ended 31st December 1972 were published on a full disclosure basis and amounted to R4,09 million, or 28,4 cents a share. Profits for the previous year were R2,7 million, or 21,2 cents a share, but these are not comparable as they only included the dividend from National Board and not the group's attributable earnings on its former holding of 48,1 per cent of that company's equity. Dividends declared amounted to 9,5 cents

a share, but in view of the publication of profits on a full disclosure basis, the policy of the board of directors in regard to dividend declarations has changed so that, had the new policy been adopted for the earlier interim dividend declared prior to the listing of the company's shares, total dividends for 1972 on earnings of 28,4 cents would have been 12,0 cents a share. UAL Holdings and The Syfrets and South African Trust Companies Limited have recently announced proposals for merging the two organisations.

The Vereeniging Estates Limited has substantial investments in a number of coal mining companies, a 51 per cent interest in Vereeniging Refractories Limited and also owns property, mineral and coal rights in the Transvaal and the Orange Free State. The company's consolidated profit for the year to 31st December 1972 was R4 932 000, compared with R4 891 000 last year, and the dividend was unchanged at 110 cents a share.

During 1972 the Platinum Consortium, consisting of Rand Mines Limited, the Anglo American Corporation Group and General Mining and Finance Corporation Limited reached an agreement with Rustenburg Platinum Mines Limited whereby the consortium ceded certain platinum interests to Rustenburg and was dissolved. In exchange members received shares in Union Platinum and Mining Company Limited, equivalent to 24 per cent of Rustenburg's enlarged capital. In addition to its entitlement to these new Union Platinum shares the Group exchanged the bulk of its holding in Transvaal Consolidated Land and Exploration Company Limited for Rand Mines' entitlement to new Union Platinum shares in terms of the Rustenburg agreement.

Union Platinum Mines holds 37,3 per cent of Rustenburg and has a small interest in Potgietersrust Platinum Limited. In its financial year to 31st August 1972 Rustenburg paid a dividend of R8,56 a share compared with R10,33 in 1971. Union Platinum's profits for the financial year to 31st October 1972 were R1 288 000 compared with R1 565 000 the previous year. Estimated results for



the half year ending 30th April 1973 reflect a taxed profit of R4 362 000 compared with a loss of R18 000 for the half year ended 30th April 1972.

Further details of the principal finance and investment companies in which the Group holds shares are given on pages 60 to 65.

Gold

Underlying strength of free market

ing the first quarter of 1972 all of South Africa's newly mined gold was sold on the free market. In the second quarter, with South Africa's current account moving into surplus and with a continuing inflow of capital into the country, the South African Reserve Bank withheld between 30 to 38 per cent of current production from the market. This withholding of gold, which continued during the remainder of the year though at a reduced level, resulted in the gold content of South Africa's reserves rising from about 50 per cent at mid-year to about 57 per cent at the end of 1972. Over this six-month period total Reserve Bank holdings of gold and foreign exchange rose from R731,6 million to R936,6 million.

On 23rd June 1972 sterling was allowed to float. The rand, which had been linked to the pound at the time, was also permitted to float with sterling *vis-a-vis* other currencies. Over the ensuing period of changing rand/dollar rates the industry was paid at the old official price of R28,50 an ounce for gold taken into reserves, but naturally received considerably higher rand returns for gold sold on the free market. The rand continued to float until 25th October when it was returned to a fixed parity and formally devalued in terms of gold. This resulted in the rand price of gold being increased by 4,4 per cent to R29,75 an ounce which meant that the industry received an additional R1,25 an ounce for gold produced and taken into reserves after that date by the South African Reserve Bank. On 13th February 1973 the U.S. dollar was devalued by ten per cent but, as there was no change in the rand parity against gold, the price of the newly mined metal taken into reserves remained at the official price of R29,75 an ounce.

During 1972 the free market price moved from a relatively steady level of around \$48 an ounce, which held for about three months, to a record in that year of \$70 on 2nd August. The price then fell back and ranged between \$60 and \$65 for the rest of the year. In January 1973 the price fluctuated around \$65 but moved up rapidly, as the U.S. dollar came under pressure, reaching \$69 by the time the U.S. dollar devalued on 13th February. This devaluation failed to resolve the currency crisis and the gold price continued to rise sharply, passing \$77,8, the equivalent in terms of devalued U.S. dollars of the previous record price of \$70, and reached trading levels above \$90. Following the joint float by the European currencies, the gold price dropped back to around \$80 but soon returned to trading levels in the region of \$90. Notwithstanding these fluctuations, which are not

surprising in a situation open to commercial and speculative influences, the gold market has an underlying strength. This strength can be attributed partly to the fact that supply of newly mined gold is now believed to be less than the total non-monetary demand and partly to what appears to be a continuation of a fundamental belief in the importance of gold in the international monetary sphere despite a conflict over its precise role in any revised system. A continuing demand for the metal at something like the present levels may lead to the opening of new deposits but in most cases will result in the mining of lower-grade ore, hence lengthening the life of some South African mines.

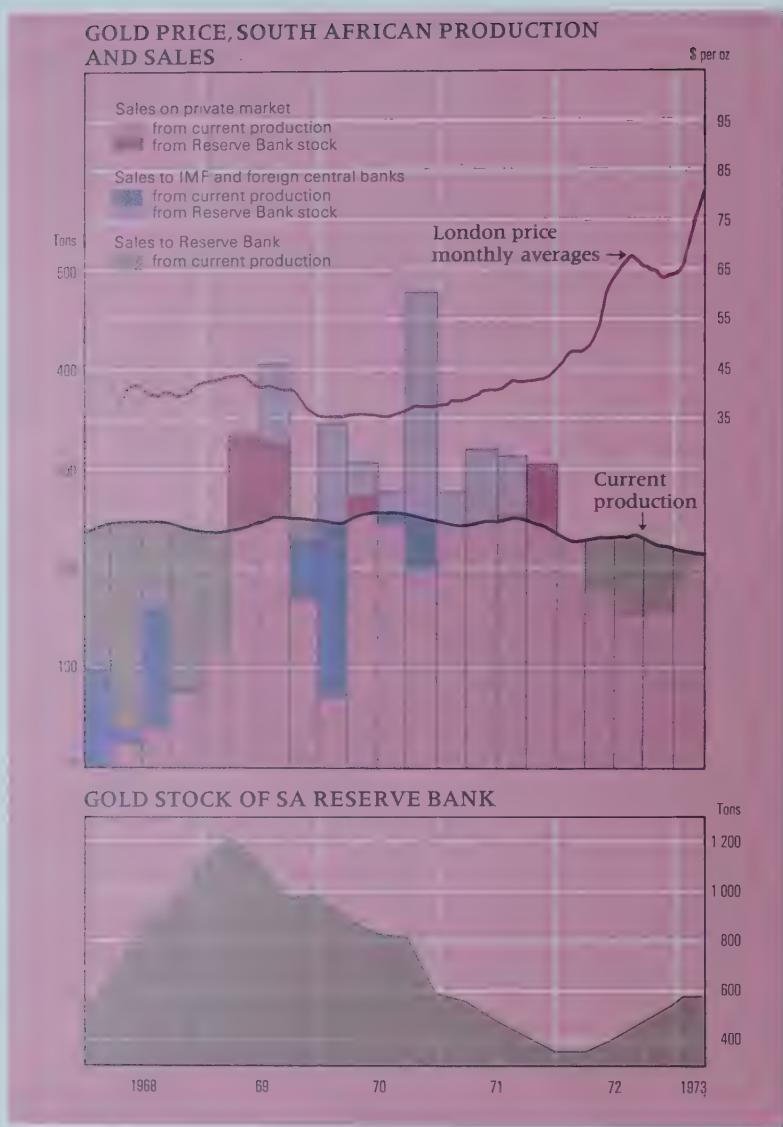
The South African gold mines' revenue increased in 1972, despite a drop in production, because of the higher free market prices received for the two-thirds of their 1972 production which was sold on the market. Increased lease and tax payments and higher working costs, reflecting increased wage payments and rising costs of materials and services, absorbed a large part of the additional revenue. It should be noted that the mines lease and tax formulae are such that the State absorbs an increasing proportion of the working revenue as that revenue rises.

The South African mining industry produced 908 725 kilograms of gold in 1972 which was 67 871 kilograms, or 6,9 per cent, less than in 1971. The decline in production of the gold mines was due to a fall in average recovery grade from 13,32 grams a ton to 12,69 grams and to a decrease in tonnage milled of 1,5 million metric tons to 70,4 million tons. To some extent the fall in average recovery grade is attributable to the mining of lower-grade ore made possible by the higher average selling prices for gold. These prices increased from an average of R928 a kilogram in 1971 to R1 281 a kilogram in 1972 not only offsetting the loss in revenue from the drop in production but also increasing working revenue from gold in 1972 by 28,7 per cent to R1 143,8 million. Average unit costs increased by 91 cents, or 11,55 per cent, to R8,79 a ton milled while working profits jumped by R203,0 million or 63 per cent, to R525,3 million, though the State will absorb an estimated R100 million of the increase.

Gold production by the mines of the Anglo American Corporation Group was also at a lower level, being, at 373 600 kilograms, 11 300 less than in the previous year. The mines continued their policy of mining outside their formal ore reserves whenever such lower-grade ore could be mined profitably at the average price being received. As a result of this policy lower recovery grades were recorded at all of the Group's mines with the exception of President Steyn Gold Mining Company Limited and Western Deep Levels Limited where there were slight increases.

The increase in the Group's milled tonnage by 188 000 tons to 25 299 000 tons was not sufficient to counteract inflationary forces and unit costs rose by 91 cents or 11,46 per cent to R8,85 a ton milled. Working profit from gold was 58 per cent higher at R250,2 million. Dividends paid by Group mines, excluding inter-company dividends from Freddie's Consolidated Mines Limited and Free State Saaiplaas Gold Mining Company Limited, totalled R89 539 000 as





against the previous year's figure of R72 115 000. Taxation and the State's share of profits absorbed R108,7 million, which was R48,5 million more than in 1971.

President Brand Gold Mining Company Limited's commitment to supply milled ore to Free State Saaiplaas terminated on 31st October 1972. Operations at Free State Saaiplaas were expected to cease with the termination of the scheme. However, it is now possible that ore to the north and north-west of the present workings may become payable and development in these areas of the mine together with prospect drilling, which will continue into 1974, is now being undertaken. Mining plans for these areas must await the results of this exploratory work but any plan will involve the sinking of a new shaft and it may be three to four years from 1974 before stoping can begin. The company's current policy has therefore been revised

to ensure optimum utilisation of existing assets and the life of the mine has been extended to March 1974 by including some marginal ore in its available stoping tonnage; by providing for the extraction of the haulage pillars between Nos. 1 and 2 shafts; and by prolonging reef development. Meanwhile President Brand has been authorised to continue sending milled ore for treatment at Free State Saaiplaas' plant on a toll basis.

Over the period between March 1974 and possibly four years later when operations might be resumed in the northern and north-western sections of the lease area, President Steyn expects to increase its own production and, subject to Government approval, this ore could also be milled and treated in Free State Saaiplaas' plant on a toll basis until the plant is again required for Free State Saaiplaas' own ore.

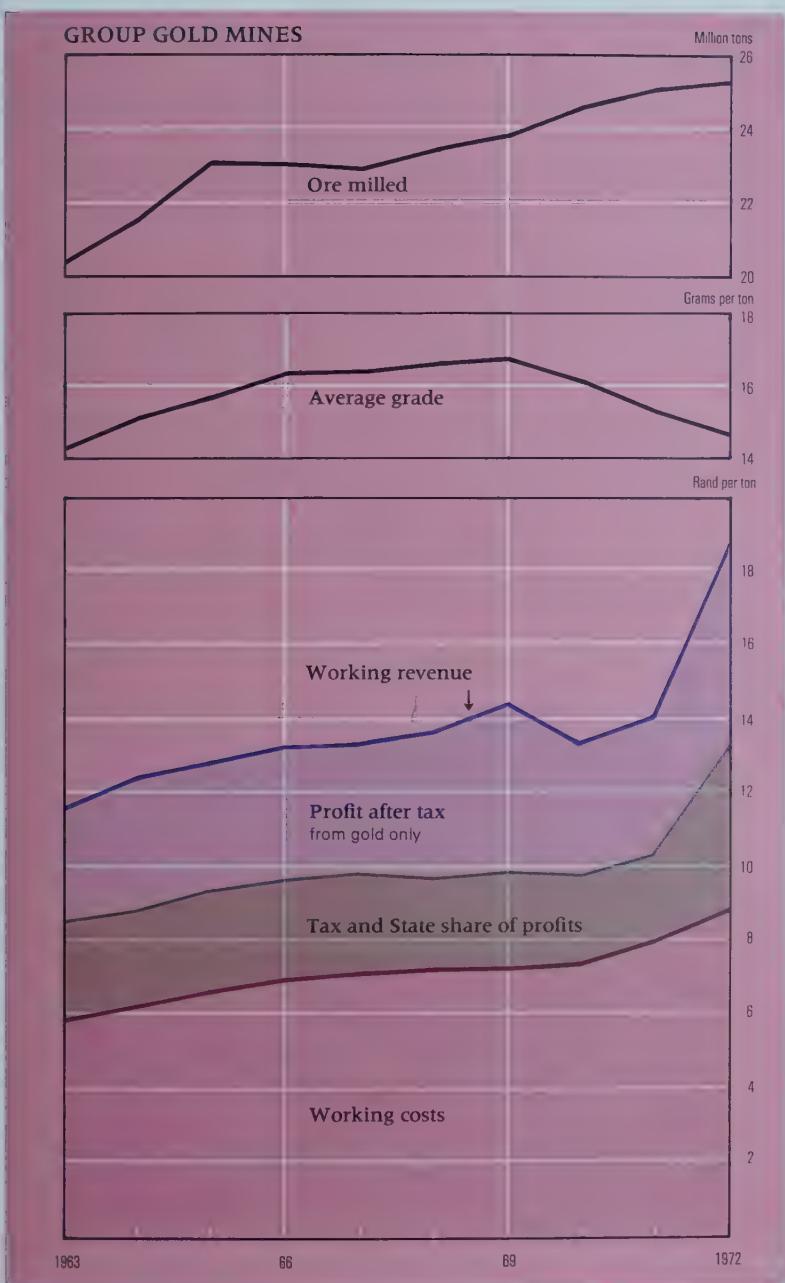
In 1968 an agreement was reached for President Brand to mine the greater part of its southern area through President Steyn's No. 3 shaft. To this end President Brand agreed to purchase this shaft for R9 500 000 and during the current year the final instalment of the purchase money will be paid when the shaft will be known as President Brand No. 4 shaft. Increased production is planned from this shaft of 9 000 tons a month, of which 5 000 tons will be replacement tonnage for declining production from Nos. 2 and 3 shafts and the balance of 4 000 tons will be additional to the mine's present production.

Work on the No. 4 shaft system at President Steyn is continuing as planned and it is expected that the first stope ore will be hoisted in October 1973. This will replace the ore from No. 3 shaft which will be taken over by President Brand. President Steyn's reduction plant is already at full capacity and as mentioned above, arrangements have been made with Free State Saaiplaas to make surplus plant capacity there available to President Steyn from about the middle of 1974.

Welkom Gold Mining Company Limited is to re-start prospect development in the low-grade area to the north of its No. 1 shaft and the ground between 52 level, the lowest level of its No. 2 shaft and the de Bron fault, is being prospected by drilling to examine the feasibility of deepening the workings to the east.

Progress in the reclamation and re-equipping of those areas of The South African Land & Exploration Company Limited which were flooded in January 1972 has been much slower than expected. As a result normal production was not achieved during the year, but it is thought that this will be established by the second quarter of 1973. There was a working loss of R1 431 000 for 1972, no dividends were declared and the company is expected to receive State Assistance totalling R1 359 000.

East Daggafontein Mines Limited, the Group's only other operating mine on the East Rand, increased its working profit from R1 310 000 in 1971 to R3 830 000 in 1972. The buoyancy of the gold market has made the mining of several areas outside the formal ore reserves possible and underground mining operations will now continue virtually throughout the first half of 1973 instead of stopping late in 1972, as was previously estimated.



On 20th September 1971, Western Reefs Exploration and Development Company Limited became a wholly-owned subsidiary of Vaal Reefs Exploration and Mining Company Limited, and thus 1972 was the first full year of operations at the enlarged Vaal Reefs complex. During the year 5 274 000 tons were milled producing 66 012 kilograms of gold. Included in these figures are 509 000 tons milled at No. 1 shaft South, where production began in March. Working profit rose from R12 732 000 in 1971 to R32 185 000 in 1972. Capital expenditure over the year amounted to R18 063 000,

and a 1973 expenditure of R21 400 000 is forecast. The company is currently not liable for tax. Efforts to rationalise and streamline operations wherever possible within the complex are proving successful.

Working profit at Western Deep Levels increased by R18 064 000 to R45 607 000 and the company became liable for tax for the first time during 1972. On the mining side problems associated with ground movements resulting from faults and dykes in the area continued to be encountered. While it is too soon to draw firm conclusions it seems the situation has been improved by the installation of sophisticated equipment for the early detection of earth movements; the stowage of waste rock; and the increased use of rapid-yield hydraulic props.

During the year the building of the Group's new training centre for Black employees at Western Deep Levels was completed and it is now fully operational. Great emphasis continues to be placed on safety in gold mining operations and the Group Chairman's Safety Shield for competition among Group gold mines was won by Free State Geduld. It is pleasing to record that on 20th June the mine also won the Chamber of Mines shield for a million fatality-free work shifts for the fourth time in four years. Western Holdings also won the 'millionaire' shield when it completed a million fatality-free shifts in October and Freddie's has been awarded the industry's major safety award, the C. S. McLean shield for accident prevention, for the third year in succession.

URANIUM While there are reasons for optimism about the longer term market for uranium, supply at present continues to exceed demand and the short-term market remains depressed. Two producers in the Group, Vaal Reefs and Western Deep Levels, continue to stockpile a portion of their annual production. The President Brand plant has not yet been commissioned although it will be possible, should circumstances warrant, to bring it into operation at very short notice.

Production at Vaal Reefs and Western Deep Levels totalled 1 080 tons in 1972 compared with 1 132 tons in 1971. In 1972 working profit from uranium and acid rose from R3.2 million to R4.0 million.

The detailed operating results of mines administered by Anglo American and those in which the Group has substantial interests are given on pages 66 to 71.

Diamonds

Sales increase by 47 per cent

Sales of gem and industrial diamonds by the Central Selling Organisation in 1972 totalled R655 million, an increase of 47 per cent and a new record, which was 32 per cent higher than the previous record of R495 million in 1969. The higher sales reflected improved



economic conditions, particularly in the United States, and price increases during the year. The Japanese market also continued its rapid growth. The indications early in 1973 are that the favourable sales trend should continue through the current year. There were two price increases in the course of 1972: the first, in January, amounted to 5,4 per cent in terms of dollars to take account of the dollar devaluation; the second, in September, amounted to six per cent overall but varied according to size and quality. The rand sales revenue was further increased as the rand first floated down with sterling before being formally devalued a second time. With the devaluation of the dollar again in February 1973 prices were adjusted upwards by 11 per cent in terms of dollars. In March 1973 prices of gem diamonds were increased on average by seven per cent.

The consolidated net profit attributable to De Beers Consolidated Mines Limited for 1972 increased by R60 727 000 to R163 041 000 equal to 45,2 cents a deferred share. The total annual dividend was increased by three cents to 18 cents. The cost of diamonds on hand increased by R3 647 000 to R222 581 000. Net current assets increased by R67 250 000 to R102 620 000 and cash rose to R188 938 000 from R85 506 000.

Total output of De Beers Consolidated Mines in 1972 was 4 161 484 carats which was 5,9 per cent higher than in 1971. This increase was due to the fact that Koffiefontein operated at full production for a whole year and to increased production from the Finsch mine, offset to some extent by the reduced production at Kimberley.

Production at Annex Kleinzee in Namaqualand totalled 487 103 carats at an average size of 1,03 carats a stone compared with 0,71 carats a stone from all Namaqualand mines in 1971. The new conglomerate crushing and treatment plant was commissioned in May in order to treat all the ore from Annex Kleinzee on a three-shift operation. The Dreyers Pan plant, which has thereby been released, is being employed to treat bulk samples in order to determine ore reserves more accurately. Extensions to the Annex Kleinzee ore reserves have been indicated, and sampling of the area between known reserves in Dreyers Pan and the Annex Kleinzee boundary has delineated important additions to the Dreyers Pan ore reserves.

In Kimberley, total production amounted to 887 854 carats, a reduction of 212 229 carats compared with the previous year largely as a result of the implementation of the revised long-term mining policy referred to last year. Production from De Beers mine was disappointing with a continued fall in grade from 20,49 carats per 100 metric tons in 1971 to 16,39 carats in 1972. In spite of increased tonnage from the Wesselton mine, a fall in grade from 30,39 carats per 100 tons in 1971 to 28,29 carats in 1972, reduced production slightly. Only at Dutoitspan mine did increased tonnage lead to an increase in production, from 170 533 carats to 203 184 carats.

At Finsch production rose by 255 880 carats to 2 478 875 carats, due to a ten per cent increase in tonnage treated and a slight increase in grade. Koffiefontein mine treated 3,5 million tons at a

grade of 8,86 carats per 100 tons to produce 307 652 carats in its first full year of operation.

Premier (Transvaal) Diamond Mining Company Limited produced 2 453 634 carats during 1972 with grade and tonnage treated remaining almost unchanged from 1971.

The Consolidated Diamond Mines of South West Africa Limited produced 1 596 144 carats. Average stone size remained constant at 0,88 carats a stone. Sampling of the western block continued and it is clear that an important addition has been made to ore reserves. A bulk sampling plant has recently been commissioned following a decision to obtain a more accurate assessment of the mine's reserves. In the marine concession, prospecting in the gully areas continued with the vessel *Rockeater* until she was withdrawn and scrapped towards the year end. The *Ontginner*, which was purchased as a replacement and fitted with a Vibracore drill, is currently testing the deep water and thicker overburden areas of the concession as there are no ore reserves in the shallower areas or under thinner overburden that can be exploited economically by known methods.

The Orapa mine of De Beers Botswana Mining Company (Proprietary) Limited was officially opened on 26th May 1972 by His Excellency Sir Seretse Khama. The mine produced 2 402 936 carats from 2 700 555 tons of ore at a grade of 88,98 carats per 100 tons during its first full year. The sales contract between the mining company and The Diamond Corporation Botswana (Proprietary) Limited was finalised in 1972. Early in that year the company paid its first dividend in respect of the 1971 financial year and has





subsequently distributed three interim dividends and a final dividend in respect of the 1972 financial year.

The De Beers international advertising, publicity and promotional campaign continued to emphasise the role of small diamonds in jewellery and the fact that such jewellery can be moderately priced. The budget for the campaign and for market research in 1973 has again been substantially increased and the campaign extended to two new markets, Brazil and Spain.

The Diamond Research Laboratory in Johannesburg celebrated the 25th anniversary of its foundation by Sir Ernest Oppenheimer in 1947. Notable achievements during these 25 years include the solving of diamond recovery problems at The Consolidated Diamond Mines of South West Africa. The electrostatic separator, first commissioned there in 1950, was in continuous operation until fairly recently; the grease belt process was developed for CDM at the same time and it is still in use today. A more recent development was the separation of diamonds by means of X-rays, a process that has been especially useful at Finsch. The synthesis of diamonds by the laboratory in 1959 was another outstanding achievement which led to the establishment of De Beers' synthetic diamond factories in the Transvaal and in Ireland. These factories manufacture a range of synthetic diamond products that are tailor-made for specific industrial needs, and together with its range of natural diamond products De Beers Industrial Diamond Division has been able to maintain its leadership in this field.

Continuing research into the problems of diamond synthesis led in 1972 to the extension of De Beers synthetic diamond product range to include a much coarser grit—30/40 mesh SDA-100—which is a very high quality abrasive of great strength and good crystal quality used extensively in the sawing and drilling of hard stone. In natural diamond, two new research-based products were successfully introduced in 1972. One, Debdust, is a specially processed natural diamond abrasive which is particularly designed for the sawing and drilling of concrete. The other, in quite another field of technology, is a product known as spherical diamond heat sinks, which exploits the fact that diamond is the most efficient conductor of heat and thus has a useful place in specialised applications in the electronics and telecommunications industries.

Sales of both natural and synthetic industrial diamonds increased over the previous year.

Further details of companies in the De Beers group are given on pages 72 and 73.

Copper and other mining

NCCM copper production exceeds 433 000 tons

World production of refined copper and world consumption increased slightly in 1972. Production and consumption were approximately in balance with production at 7 847 000 metric tons

and consumption totalling 7 731 000 tons. Stocks on the London Metal Exchange rose from 140 000 tons at the beginning of 1972 to a record level of 192 000 tons at the end of November 1972, but fell to 183 000 tons by the year end, and declined further to approximately 80 000 tons by the end of March 1973.

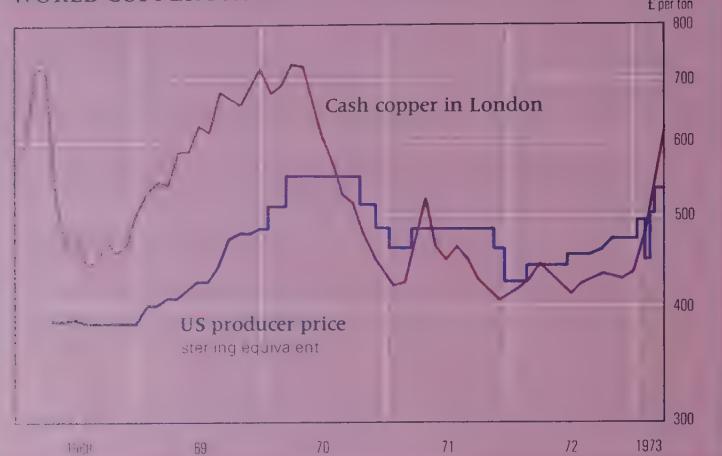
Low copper prices were a feature of 1972, but by the end of the year prices had improved markedly. The London Metal Exchange cash settlement price for wirebars, which was £408.50 a ton at the start of the year, rose to £442 by April but fell again to £407 by mid-June. This was followed by the floating of the pound which declined between June and October from a parity of U.S.\$2.60 to \$2.33, with the copper price, however, failing to show a compensating increase. The price of £417 in July, was therefore equivalent to only £388 in terms of pre-float sterling. The average price for the year was £427.96, compared with £555.64 in 1971.

During December 1972 the price began to improve rapidly, and on 29th December it reached £450. It continued to rise after the year end passing £500 shortly before the U.S. dollar was devalued by ten per cent in mid-February and reaching more than £600 in the currency crisis following this devaluation. The American producer price also increased rapidly in the first quarter of 1973. It was raised in the first week of January 1973 to 53 cents a pound, then, in February, to 56 cents and in March to the present price of 60 cents a pound. Apart from the currency disturbances a number of factors have contributed to the rise in copper prices. There were improvements in economic conditions, particularly in the United States and Japan, the industry in Chile experienced industrial unrest and other problems which affected production, and the legal dispute between the Kennecott Copper Corporation and the Chilean government threatens to affect Chile's marketing arrangements. The closure of Zambia's southern border may also have contributed to the price rise.

Nchanga Consolidated Copper Mines Limited (NCCM) had a successful 12 months to the end of December 1972 with high production and sales volume. Good progress was made with development programmes at all divisions. Finished copper production for the mining divisions of NCCM totalled 433 434 tons, an increase of 31 963 tons over the previous year. Production of lead and zinc at Broken Hill division was 82 608 tons, a fall of 2 718 tons. Production of cobalt was 2 056 tons, a slight drop on 1971. Sales of copper in 1972 were 451 736 tons, an increase of 49 462 tons, and sales of lead and zinc amounted to 91 582 tons compared with 77 525 tons in the previous year. Gross revenue from metal sales in 1972 rose K41.0 million to K366.4 million, with copper accounting for K335.0 million, an increase over 1971 of K29.4 million.

At Rokana division, production from the Bwana Mkubwa open pit continued satisfactorily, while the production of ore for the Torco plant from the open pit at the Mindola extension continued as scheduled with full-scale stripping in preparation for oxide-ore production. Preparatory work for production from the oxide area on the up-dip side of the Central ore-body was started and this pit is scheduled to come into production in 1974. Construction work on

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the new oxide concentrator, which will treat material from these sources, made good progress.

At the Rokana smelter it is intended to complete the distribution of oxygen to all converters in 1973 and the conversion of the reverberatory furnaces for firing either by heavy fuel oil or coal will be completed during the year. Work on a third acid plant to increase acid production to about 825 metric tons a day went ahead well and the plant is due for completion in 1973. With the conversion of two sections of the refinery tank house to periodic current reversal an increase in output from the tank house of some 25 per cent is expected. At Rokana and elsewhere on the Copperbelt however it is to be expected that capital works are likely to be delayed as a consequence of recent political developments affecting relations between Zambia and Rhodesia.

At Chingola division underground mining conditions continued to improve, and ore production exceeded target by 294 473 tons. Operations in the open pits remained satisfactory. The completion of the Nchanga stream diversion tunnel enables development of the Nchanga pit to extend eastwards. During the year five 200-ton vehicles were commissioned for transporting material from the Nchanga open pit, and their performance has been up to expectation. The leach copper cementation plant operated throughout 1972, but recoveries were less than anticipated, and the production target level was achieved only in December 1972. The construction programme for the second stage, including leaching, solvent extraction and electro-winning was on schedule in most sections at the year end. Commissioning of this plant should begin early in 1974 when stage one operations will cease.

Konkola division had a satisfactory year, although the water problem continued to impede development and the expansion of production.

At Broken Hill division, production of lead and zinc was less than during the previous year, because of the six-week shutdown of the

Imperial Smelting Furnace during which the furnace shaft was completely rebuilt. Contracts were signed for the installation of three Waelz kilns which will treat lead- and zinc-bearing dump materials and residues and work on site preparation was nearing completion at the year end. The kilns are scheduled to be commissioned in 1975 and are expected to enable metallurgical operations to continue for several years after mining stops in about 1982.

Roan Consolidated Mines Limited (RCM) produced 264 688 tons of finished copper during the year, which was 32 700 tons more than in the previous year. Sales of copper were 265 128 tons compared with 230 772 tons in 1971. There was continued progress during the year in RCM's expansion projects and in the rehabilitation of Mufulira mine, RCM's largest division, where production is now running at about 10 000 tons a month.

The consolidated net profit of The Messina (Transvaal) Development Company Limited (Messina) for the year to 30th September 1972 rose by R3 670 000 to R8 705 000. This increase was due mainly to the consolidation of Datsun-Nissan Investment Company Limited for the first time, and to a 37 per cent rise in mining profits as a result of expanded copper production. This arose principally from the higher output from the Shackleton mine in its first full year of operation. Currency changes have had an adverse effect on Messina's profits in that although the L.M.E. price of copper showed a slight upward trend in 1972, the average price received by Messina for its Rhodesian production actually fell by some eight per cent.

The consolidated net profit of Rhodesian Nickel Corporation Limited for the year ended 31st March 1972 was R\$1,02 million, or R\$2,54 million less than the previous year. This drop was largely attributable to two factors. The first, and the more important, was a lower demand for nickel and a position of oversupply in the free world market throughout the year. Second, following the United States dollar devaluation in December 1971, the corporation suffered an eight per cent reduction in sales revenue. No dividends were paid during the year. Profit for the six-month period ended 30th September 1972 was R\$583 000. Because of an increase in the official price of nickel with effect from the fourth quarter of 1972 and, recently, an increase in demand, results for the year ended 31st March 1973 are expected to show an improvement on the previous year. However, unless there is another increase in the official price of nickel, the further devaluation of the U.S. dollar in February 1973 will restrict profits in the year to 31st March 1974.

The share capital of Botswana RST Limited (BRST) was reconstructed with effect from 7th March 1972 and as a result the interest of the Anglo American Corporation Group in BRST was increased to nearly 30 per cent. BRST holds 85 per cent of Bamangwato Concessions Limited, a nickel/copper project at Selebi-Pikwe in Botswana, the balance being held by the Government of the Republic of Botswana. In April 1972, 8 900 000 shares in BRST were offered for cash to the shareholders and over 96 per cent was subscribed, the balance being sold at a profit for the benefit of those who did not subscribe. Work has continued throughout the year in preparation for bringing the mine and smelter at Selebi-Pikwe



168 LECTRA-MATE

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LECTRA-MATE

into production and work, both on the mine and on the related infrastructure, is substantially up to schedule.

Swaziland Iron Ore Development Company Limited has contracts to supply the Japanese steel mills with a total of 19,9 million tons of high-grade ore to be delivered by 1975 as well as a contract for the supply of 7,3 million tons of medium-grade ore for delivery by 1978. A total of 15,2 million tons have been sold, of which 2,6 million tons were supplied under the high-grade contract during the year, leaving approximately 4,7 million tons to be delivered by 1975. The ten per cent cutback in the rate of deliveries negotiated by the Japanese steel mills in 1971 continued and no medium-grade ore was delivered, but it is anticipated that the cutback will be removed during the current financial year and that deliveries of medium-grade ore will recommence. As the contracts are priced in U.S. dollars the recent dollar devaluation will have an adverse effect on future profits unless revised prices can be negotiated.

Further test work was done on the beneficiation of the low-grade ores which occur near the present mining operations but the preliminary feasibility study showed that under present conditions these deposits could not be economically mined and work on this project has therefore been discontinued.

The profit of The South West Africa Company Limited, in which the Group has a 44 per cent stake, was £88 400 for the year to 30th June 1972 compared with £435 600 the previous year. The sharply lower profit and the passing of the final dividend was due to the weak vanadium and wolfram markets, a two-thirds drop in the dividend received from Tsumeb Corporation Limited and the strikes by the Ovambo work force at both the Berg Aukas and Brandberg West mines.

In Portugal production of wolfram concentrates of the Beralt Tin and Wolfram Limited mine totalled 1 539 tons, compared with 1 423 tons in 1971. The tungsten market was depressed throughout 1972 and the company sustained a loss estimated at £622 000 before taking into account taxation and a net credit for extraordinary items. In March 1973 Beralt announced a rights issue to raise £2,2 million.

In 1972 the Tronoh group of tin mining companies in Malaysia produced 9 713 tons, an increase of 712 tons and unaudited profits were £670 000. The audited profits in the previous year were £742 000.

At the Société Minière de Mauritanie copper mine at Akjoujt in Mauritania, in which Charter has a major shareholding, output of copper was substantially below target because of continuing production difficulties. As a result of this and the low copper price during 1972 the company sustained a substantial loss. This has necessitated the raising of additional finance.

The development of the Cleveland potash mine in Yorkshire, England, jointly by Charter and associates and Imperial Chemical Industries Limited, continued generally satisfactorily during the year, despite some delays in the construction of the treatment plant and in the sinking of one of the shafts through the lower sections of the Bunter sandstone. These delays will defer the initial commis-

sioning of the mine, but it is still anticipated that production will start in the latter half of 1973.

Net earnings of Hudson Bay Mining and Smelting Co. Limited, for 1972, after taking account of an abnormal loss, were \$2 861 312 (Canadian), a drop of \$147 665. Earnings per share were 32 cents, compared with 33 cents for 1971. In the second quarter of the year a loss of \$9 407 000 at the Wellgreen mine was charged against consolidated earnings as an extraordinary item but since production at Wellgreen in 1972 was greater than expected, the loss has been reduced to \$8 518 000. Before the deduction of this extraordinary item, Hudson Bay earnings were \$11 379 312, equal to \$1.26 a share. A comparison of the results for 1972 and 1971 is not meaningful because the 1971 earnings were distorted by the five-month strike that shut down the base-metal mining operations in the Flin Flon and Snow Lake areas. In March 1973, a dividend for the first quarter of that year of 30 cents a share was declared, which compares with a dividend of 20 cents for the first quarter of 1972.

The detailed operating results of mines managed and administered by the Anglo American Corporation Group and those in which the Group has substantial interests are given on pages 74 to 76.

Coal

Problem of escalating costs

Sales by the South African coal mining industry in 1972 were unchanged from the previous year at 57 million tons. The tonnage sold by the 12 South African coal companies in the Anglo American Corporation Group increased slightly by 700 000 tons, or four per cent, to 17,3 million tons which is equivalent to 30,4 per cent of South African production.

Working profit for the Group's collieries in South Africa rose by R1,4 million, or 17,1 per cent, to R9,6 million, an increase largely attributable to the higher controlled selling price of coal and coke awarded in February and May 1972. However costs, which rose at an unprecedented rate during the year, are having an increasingly serious effect on the profitability of the coal industry, and this will continue unless selling prices can be raised to keep pace with the rising costs. Coal supply contracts to power stations do, to some extent, allow for escalation of costs. Domestic sales in general have suffered because of further electrification of South African Railways and the increased use of diesel locomotives, while sales in Natal have been affected by the continued replacement by the Electricity Supply Commission of power generated in old thermal stations in Natal by lower cost power from the Transvaal.

In the export field new developments were an entry into the power station market in West Germany, and the negotiation of a contract for the supply of anthracite smalls to the French steel industry. Small-scale deliveries of low-ash coal to Japan from South African Coal Estates (Witbank) Limited began on schedule in No-





ments in operations have been made and, with the upward trend in both vanadium and steel export prices, an unaudited profit of R3 480 000 was reported for the six months ended 31st December 1972. Before the recent devaluation of the U.S. dollar, Highveld anticipated that its level of profits would be maintained during the rest of the financial year, notwithstanding the substantial cost increases flowing from a new wage agreement and the 23 per cent rise in rail tariffs. However, because of the new dollar/ rand parity and the inevitable delay in adjusting prices to take account of the new parity, this profit forecast will now prove more difficult to achieve. Highveld has recently announced that it is undertaking a R14 million expansion scheme, which will result in a 25 per cent increase in vanadium slag and steel output.

Scaw Metals Limited, a wholly-owned subsidiary of AMIC, has performed well and for the year ended 31st December 1972 recorded a profit after tax of R4 507 000, an increase of R459 000 or 11.3 per cent. The company produces ferrous and non-ferrous castings, rolled steel products in the merchant bar range and grinding media for the mining and cement industries. Present indications are that, notwithstanding the increase in wages, rail rates and other costs, the company will have another satisfactory year in 1973.

International Pipe and Steel Investments South Africa (Proprietary) Limited, in which the Group has a 15 per cent interest and which holds the controlling interests in Dorman Long (Africa) Limited, Stewarts and Lloyds of South Africa Limited and Vanderbijl Engineering Corporation Limited, achieved a consolidated profit for the year to 30th September 1972 of R4.1 million, an increase of R995 000 as compared with the previous 15-month period.

Transalloys (Proprietary) Limited recorded a loss of R65 000, following a profit of R402 000 in 1971. This resulted from production during the year being below forecast because of trouble with the arc furnace and, notwithstanding the improvement in the world steel industry, a continuing weak demand for the company's products for most of the year. However, there was evidence of a strengthening of demand towards the end of the year and improved results are anticipated for 1973 though the recovery will be affected by the recent U.S. dollar devaluation. During the year the production of chromium alloys was phased out following a decision to concentrate on ferro-manganese products.

Vereeniging Refractories Limited, a subsidiary of The Vereeniging Estates Limited, reported a profit after tax attributable to ordinary shareholders of R2 200 000, a decrease of R441 000 or 16.7 per cent. Although sales were slightly higher in 1972, escalating costs in the refractories and mining division, together with a further loss in the silica division, accounted for the reduced profit. The dividend was, however, maintained at 24 cents a share.

During the year a controlling interest was acquired in G. & W. Holdings (Proprietary) Limited, a company which has had an impressive growth record in the mining and processing of industrial minerals such as bentonite and kaolin and in which the Group had held a substantial minority interest for some time. Following this acquisition, Zinc Products Limited, a wholly-owned Group company



manufacturing zinc dust and zinc oxide, disposed of its undertaking to G. & W. Holdings, creating an enlarged group with a significantly wide range of industrial mineral products.

Preliminary figures for Lenning Holdings Limited, a general engineering company, in which the Group and Johannesburg Consolidated Investment Company Limited hold a controlling interest, indicate that profits after tax for 1972 should be of the order of R1 million, a substantial increase over the figure for 1971. Prospects for the current year are promising.

Mainstraat Beleggings holds substantial interests in Union Carriage and Wagon Company Limited and Hall, Longmore and Company Limited, both of which had a very satisfactory year. Union Carriage operated at a high level of activity throughout the year, which was highlighted by the handing over of the new Blue Train to the South African Railways; and Hall, Longmore and Company Limited operated at record levels and was not seriously affected by the lower level of economic activity in South Africa during the year. Hall, Longmore manufactures large bore pipes and fittings as well as engaging in contracting for chemical plant and pipe installations. On 9th October 1972 it acquired the Wadeville steel pipe manufacturing plant of Hume Limited as well as that company's contracting business.

Boart and Hard Metal Products SA Limited (Boart), a wholly-owned subsidiary of AMIC, comprises more than 100 subsidiary and associated companies throughout the world. The group is engaged in the manufacture and marketing of all types of diamond and tungsten carbide-tipped drilling tools, and certain of the companies undertake, on a contract basis, surface and underground drilling and mining services. It had earlier been decided that tunnelling and shaft sinking in North America and civil engineering and specialised foundation work in South Africa should be discontinued as they

vember 1972. However, escalating production costs, the rail rate increases announced at the beginning of 1973, and the recent wave of currency realignments have made it necessary to seek discussions with the consumers with a view to modifying the contract to take account of the new situation.

Towards the end of the year an agreement was reached with the Stafford Mayer Company of South Africa Limited whereby as from 1st February 1973 the Group took over the administration of Natal Anthracite Colliery Limited and The Newcastle-Platberg Colliery Limited. The Group also made offers for the Stafford Mayer Company's shareholding in these companies. This policy of expansion and consolidation has been pursued in order to place the Group in a stronger position as far as anthracite is concerned, and to enable it also to rationalise activities in its bituminous trade in Natal. South Africa has enjoyed a profitable export trade in anthracite for some years and it is hoped that this will develop further in the future.

In June 1972 an agreement was reached with Barlow Rand Limited, which included the Group's taking over the administration of Swaziland Collieries Limited as well as Barlow Rand's shareholding in the company. Swaziland Collieries owns important anthracite reserves, which could complement Natal anthracite exports, and there are prospects of marketing a low-ash product as a blend form coke feedstock. Market prospects for 1973 for the present production of low-volatile steam coal are regarded as modest, but may have a power station potential in later years.

In Botswana, development work on the Morupule Colliery (Proprietary) Limited has proceeded satisfactorily, and the target date for the start of commercial production, 1st August 1973, is expected to be met. Coal will be delivered to the Botswana Power Corporation's Selebi-Pikwe power station initially at the low rate of 78 000 tons annually, but it is anticipated that total sales will increase to 210 000 tons a year by 1977.

A major disaster occurred at the Wankie Colliery in Rhodesia on 6th June 1972 when 427 men lost their lives. This tragedy aroused world-wide sympathy, and help was offered from many countries. Tribute must be paid to all who were concerned in the attempted rescue work and to the management and employees for their efforts to re-establish normal life at the colliery and to reorganise the work of the mine. Sales for the year ended 31st August 1972 were inevitably lower, falling by 330 000 tons to 2 762 000 tons. Consolidated profit after taxation fell considerably and, at R\$1 763 000, was down R\$788 000 even after bringing to account the insurance payment of R\$259 000 for the loss of profits during the last three months of the year. Additional factors causing lower profits were further reductions in sales to northern markets, government controls, which prevented coal and coke prices from being raised until towards the end of the year, and the high costs of commissioning and operating the new coke plant.

The detailed operating results of mines administered by Anglo American Corporation are given on pages 77 and 78.

Industry and commerce

Expansion at Highveld

The estimated value of the industrial and commercial companies administered by the Corporation was approximately R600 million at the end of 1972, an increase of R120 million or 25 per cent. The interests of the Corporation and its associated finance companies in this total amounted to more than R345 million. Commercial and industrial interests held by the Group, but which the Group does not administer, were valued at R200 million, so that the estimated value of the total investment of the Corporation and its associated finance companies in industry and commerce was approximately R545 million at the end of 1972, an increase of R155 million or 40 per cent over the 1971 figure.

These investments cover a wide range of activities including iron, steel and alloys; chemicals and explosives; civil engineering and construction; drilling tools; refractory and other structural clay products; textiles, paper, board and timber; agricultural products; other foodstuffs and beverages; motor vehicles and components; and rail locomotives and coaches.

The main vehicle for the Group's industrial investments in South Africa is Anglo American Industrial Corporation Limited (AMIC) but Anglo American Corporation itself and Rand Selection Corporation Limited also hold interests directly both in South Africa and elsewhere. Through De Beers Industrial Corporation Limited (Debincor), AMIC has substantial holdings in AE & CI Limited and South African Nylon Spinners (Proprietary) Limited. Mainstraat Beleggings (1965) (Eiendoms) Beperk holds the joint interests of both the Anglo American Corporation Group and the Federale Mynbou/General Mining group in the steel and heavy engineering sectors. The Group also has a significant holding in Barlow Rand Limited which, in addition to its mining and property investments, has major industrial interests including earthmoving and agricultural machinery, motor vehicles, steel, timber, building and other manufacturing activities. Charter Consolidated Limited, Anglo American Corporation Rhodesia Limited and Zamanglo Industrial Corporation Limited also have important industrial interests.

In 1972 there was an improvement in the world steel market and production increased. This created a further demand for vanadium which, in turn, led to a moderate firming in prices. There has also been an upward trend in prices for South African steel exports—though the ability of producers to take full advantage of this is still hampered by transport difficulties—and the domestic steel market also shows signs of strengthening. Highveld Steel and Vanadium Corporation Limited recorded a loss of R1 859 000 in the six months to December 1971 because of technical problems in the iron plant and difficult market conditions. However, the technical difficulties were overcome and with an improving market situation a profit of R224 000 was achieved in the second six months so that the loss for the financial year to 30th June 1972 was R1 635 000. Since the beginning of the current financial year further improve-





have proved to be high risk operations. Boart, however, continues to offer services in the civil engineering field where these are associated with its drilling activities. Boart reported a consolidated profit for the year of R1,45 million, which was 13,7 per cent lower than in 1971, owing, principally, to difficult conditions in the base metal industry during 1972 and the consequent decline in the volume of contract and exploratory drilling. Over the past few years Boart has written off substantial amounts which have arisen mainly from losses incurred on activities outside its normal business. Most of these activities have been terminated and those still outstanding will be concluded in 1973 when further provision may be necessary once the final losses have been established. Prospects for 1973 are, however, encouraging and profits should improve.

LTA Limited earned a profit after taxation for the year ended 30th June 1972 of R1,2 million compared with a loss of R6,8 million for 1971. Building activities continue to show a satisfactory profit and the Industrialised Systems section showed improved results. The LTA group, however, has been affected by the general recession in the building industry and particularly in the field of subcontracting. Difficulties are still being experienced in the group's civil engineering activities and although the concreting section showed an increase in profits, losses continued on certain road contracts which will be completed during the current financial year. On 1st July 1972 the group acquired the entire share capital of the Lafrenz group of civil engineering companies in South West Africa and the opportunity has been taken to rationalise the earth moving and plant activities in South West Africa and South Africa. A modifying agreement has now been signed with the Department of Water Affairs in respect of the Orange/Fish tunnel contract and the directors of LTA are of the opinion that no further provisions for losses need be made on this contract. The Cabo Bassa project has continued satisfactorily; major progress has been achieved in the successful diversion of the Zambezi river, allowing a start to be made to the building of the dam wall. In addition, the excavation of the large underground power station and five penstocks has now been completed. The LTA group had work on hand at 30th June 1972 in excess of R160 million. It is expected that the net trading profit after tax for the financial year ending 30th June 1973 will be about the same as for the previous financial year.

On 24th August 1972 Mondi Paper Company Limited was officially opened by the Honourable B. J. Schoeman, deputy Prime Minister and Minister of Transport. At this date all the original construction work had been completed but contractors were still busy on additional works to augment the capacity of the plant. The finance required by this project will be higher than originally anticipated but is considered reasonable in the inflationary climate prevailing during the period of construction. The company produces a range of fine papers and groundwood board papers for telephone directories and newsprint. Newsprint is supplied to the Newspaper Press Union in terms of an agreement with South African Pulp and Paper Industries Limited. Negotiations are in progress between Mondi, SAPPI and the NPU with a view to rationalising distribution



and raising the price to the mills. With continuing cost increases Mondi's long-term profitability must depend on its ability to charge realistic prices for its products.

Sales for 1972 in the AE&CI group totalled R163 million, an increase of R19 million or 13 per cent over 1971 while profits after tax attributable to ordinary shareholders increased by nine per cent to R20,3 million. Higher sales were recorded in all the major spheres of group operation, and the demand for plastics showed a substantial increase. In the face of rising costs, profit margins were under pressure and could not be maintained in all cases. This was reflected in the lower percentage increase in profits as against the percentage increase in sales. The large new ammonia and nitrogen complex at Modderfontein is under construction and is expected to be commissioned during the second half of 1974.

The earnings of South African Board Mills Limited for the year ended 30th April 1972 declined by R451 000 to R967 000 or 10,6 cents a share against 15,6 cents a share in 1971. This was attributable

to a number of technical problems encountered in the commissioning of the new paperboard mill at Springs in the Transvaal and to a decrease in demand during the second half of the financial year. These technical difficulties have now largely been overcome and future profits should, therefore, improve as the market for the company's products increases. Product prices were increased on 1st October 1972 but the effect of these will not be fully realised until early 1973. In the sugar division there was considerable improvement and a profit of approximately R500 000 before tax is expected for the 1972/1973 season.

Chemical Holdings Limited produces specialised chemicals for industry and agriculture. The trend of substantially increased costs of imported raw materials, which first manifested itself during the last quarter of 1971, continued throughout the financial year ended 30th June 1972. As a result the profit after tax declined from R413 000 to R308 000, despite an 18 per cent increase in turnover. The dividend was maintained at 12 cents a share. It is expected that with the sales price increase of 12.5 per cent and with strenuous efforts of management to improve production and marketing efficiency, higher profits should be attained during the current financial year.

Higher sales levels were achieved in 1972 by South African Nylon Spinners (Proprietary) Limited, and the demand for nylon and polyester yarns showed a satisfactory increase over 1971. Prices were well maintained and productivity improved. However, this company, in which Debincor and AE & CI have substantial interests, had to absorb cost increases arising from inflationary pressures and the increased cost of imported raw materials, particularly nylon polymer. Steps were taken during the year to increase production capacity for the new producer-texturised yarns. An announcement has been made about negotiations with the major shareholders in the Sagov group and Neckelmann Holdings Limited with a view to rationalising the knitting and texturising industries in South Africa to permit the orderly introduction of new producer-bulking processes for polyester yarns.

The South African motor industry continued to be adversely affected by the higher cost of the increased local-content requirements, continued sales taxes, and also costs flowing from currency realignments. The price-sensitive nature of the market was demonstrated by the immediate improvement which followed the relatively small decrease in sales taxes of 2.5 per cent on 17th November 1972. Sales of commercial units were adversely affected by sharp increases in costs and it is becoming increasingly difficult for farmers and small businesses particularly to acquire units at prices they can afford. During 1972 the McCarthy Rodway Limited group acquired from the Anglo American Corporation Group its indirect holding of 2 695 257 ordinary shares in Atkinson Oates Motors Limited in exchange for 998 246 new shares in McCarthy Rodway. The McCarthy Rodway group subsequently acquired additional Atkinson Oates shares so that, with effect from 1st July 1972, Atkinson Oates became a subsidiary of McCarthy Rodway. Consolidated profit after tax for the McCarthy Rodway group was R1.4 million, an

increase of 14 per cent; the McCarthy-Main Holdings Limited group showed a taxed profit of R1.0 million, a decrease of 13 per cent, and Atkinson Oates reported an after-tax profit of R2.1 million, an increase of four per cent. Total new car sales during 1972 increased by only four per cent over 1971 while sales of new commercial vehicles decreased by 8.7 per cent. In the light of these statistics for the industry the performance by the McCarthy Rodway and McCarthy-Main groups must be regarded as satisfactory.

In November 1972, agreement was reached with United Transport Overseas Limited in terms of which the Anglo American Corporation Group disposed of its 40 per cent interest in United Transport Holdings Limited.

Notwithstanding the imposition of import controls, which were operative for the first half of 1972, and also the inhibiting effect on international trade of currency realignments, Freight Services Holdings Limited increased the volume of business undertaken in the year ended 30th June 1972. Results were commensurately improved. In January 1973 agreement was reached in terms of which the Group acquired the interests of certain overseas shareholders in Freight Services, thereby bringing the Group interest, which is now held through AMIC, to more than 55 per cent.

The Group's interest in timber and allied industries has been substantially increased. There is considerable scope in this field for rationalisation which the Group is now well placed to undertake. The entire issued capital of Engelhard Enterprises of Southern Africa (Proprietary) Limited was acquired in October 1972. Its principal asset was a 58.9 per cent holding of the issued share capital in S.A. Forest Investments Limited (SAFI), which owns plantations, sawmills and factory-built housing operations. Acceptance of a comparable offer made to other shareholders brought the Group holding to 94.3 per cent and the provisions of the Companies Act were invoked to acquire the balance of the shares in SAFI which now becomes a wholly-owned AMIC subsidiary. In January 1973 the Group acquired from Bruynzeel N.V. and associates, the entire issued capital of Bruynzeel Holdings (Proprietary) Limited, which in turn holds 31 per cent of the issued share capital of Bruynzeel Plywoods Limited (Bruply). The Group's interest in Bruply which manufactures veneers, plywoods and other timber products is now in excess of 50 per cent.

The Group's investments in food producers and farming companies continued to prosper in 1972, with the majority of these companies increasing their profits. However, unseasonably dry weather conditions during February had an unfavourable effect on Soetvelde Farms Limited's 1972 maize crop. To some extent this was compensated for by the considerable progress made in its livestock sections and the company is well placed to take advantage of the buoyant meat market in South Africa. Steps have been taken to reduce the company's reliance on dryland crops. Rhodes Fruit Farms Limited again showed a record operating profit and the dividend was substantially increased to R1.30 a share.

In Mozambique the Group's investment in the cashew processing industry continued to prosper. During 1972 an increase in Industrias

de Caju Mocita S.A.R.L.'s João Belo licence from 15 000 to 17 500 metric tons a year was authorised and the factory is already operating at the higher level of throughput. While production at the Antonio Enes factory increased substantially, the target for the year was not achieved. It is expected, however, that it will only be a matter of time before the labour force attains the degree of dexterity and skill required for success in this industry. World demand for cashew nuts remains very strong at satisfactory price levels, but the effective devaluation of the U.S. dollar and sterling against the escudo has reduced the growth in revenue.

Computer Sciences Sigma Limited has made certain significant technical advances during the past year. Despite difficult business conditions, growth has been achieved in both the Infonet time-sharing service and the bureau, which offers a wide range of services with extremely up-to-date processing facilities. Full rationalisation benefits arising from the merger in February 1972 of Computer Sciences S.A. Limited with Dedicated Data Centre Limited and Sigma Data Corporation (Proprietary) Limited, have yet to be realised but cost savings are expected to be substantial.

Further details of the principal industrial and commercial companies in which the Group holds shares are given on pages 79 to 84.

Property

Carlton Centre nears completion

The property companies administered by the Corporation had an estimated value at the end of 1972 of approximately R140 million, of which about R53 million represented the property investments of the Corporation and its associated finance companies. The Group's principal property vehicle is Anglo American Properties Limited (AMAPROP), which, together with other Group companies including South African Townships Mining and Finance Corporation Limited, The Vereeniging Estates Limited and Retail and General Properties Limited, provides the Anglo American Corporation Group with a wide range of property interests. These interests include industrial and residential townships; a fully integrated central city shopping, office and hotel complex; several office buildings; two medical centres; a marina, residential apartments, suburban shopping centres; and holiday apartments.

AMAPROP increased its profits for the year to February 1972 by R612 000 to R1 938 000. The company has, however, experienced difficulties in its financial year to 28th February 1973. Its profits are expected to be sharply reduced because of decreased township sales and delays in the completion of building projects coupled with the effects of inflation on construction costs and a substantial increase in the burden of interest on borrowings for investment in non-revenue producing assets. In the medium term there is likely to be a continuing escalation of capital costs and over-supply of office space in most city centres which will necessarily have an adverse effect on AMAPROP's future profitability.

During the year, the Group acquired from Retco Limited, The South African Breweries Limited property company, its 45 per cent holding of Carlton Centre shares for R10.8 million cash, thereby increasing the Group's interest in the equity of Carlton Centre to 90 per cent. The remaining ten per cent continues to be held by Barclays National Bank Limited. The Carlton Centre project, the planning of which started in 1964, is the largest central city development of its kind in the southern hemisphere. The 30-storey Carlton Hotel was opened on 1st October 1972 and finishing work is in progress on the interior of the high-rise floors of the 50-storey office tower. Construction work on the whole complex will be completed by the end of 1973. The letting of office space progressed well in the latter part of 1972, and now that building activity in the shopping malls has been completed, the tempo of letting of the remaining shopping space is expected to increase.

The Group owns four other city-centre office buildings either under construction or recently completed. The largest of these is 320 West Street, Durban, which will have a total letting area of 38 400 square metres including some 10 600 square metres of shopping space. The letting of available space started towards the end of 1972. Tenant parking will be available nearby when the construction of the Group's 550 motor vehicle garage is complete. Piling for this garage was started early in 1973. Another Durban project, the Bay Passage Development, will be a 30-storey office and shop complex with on-site parking facilities situated in the institutional centre of Durban. The building is planned for completion at the end of 1975. All the medical suites in Durdoc, the 16-storey building situated in Smith Street, Durban, were fully let by the end of 1972. The Goldwaite project in Pretoria, with frontages on Van der Walt and Vermeulen Streets, will provide 5 357 square metres of modern retail shopping and 18 385 square metres of office space on 19 floors. Completion of this building is expected in mid-1975.

Completed office buildings owned by AMAPROP in Johannesburg are Edura House, Amcor House and Devonshire House which together have 35 900 square metres of office space and 6 200 square metres of shopping space. Devonshire House, a new building, is now almost fully let, leasing having started early in 1972. In Port Elizabeth Union Acceptances House has 11 floors of offices and two floors of shops together with parking facilities.

The Cabana Beach development at Umhlanga Rocks near Durban, which contains 218 holiday apartments of different sizes to accommodate, at maximum capacity, approximately 1 000 people, was recently opened.

Sales in Prospecton, the 223 hectare industrial township 17 kilometres south of Durban, totalled R470 000 in the financial year to 28th February 1973. This is 86 per cent lower than the figure of R3.3 million achieved in the previous year.

Sales in all the residential townships administered by the Group have declined as compared with last year. However, only 18 stands remain unsold in La Lucia residential township, situated just north of Durban, out of an original total of 489 stands owned. An area



of some 8,1 hectares of hotel and general residential land adjoining the beach front has yet to be placed on the market. Revenue from sales in this township was R999 000 as compared with last year's figure of R1,56 million. The Vereeniging Estates Limited sold 115 stands for R670 900 in its two townships, Three Rivers East and Bedworth Park in the Vereeniging District, leaving a further 456 stands to be sold out of a total of 1 476. During 1971, when Three Rivers East township was established, 179 stands were sold for a gross revenue of R1 162 000 or just over double the figure achieved in 1972. Finsbury township is being developed to provide low-cost housing in the Randfontein area. Selling of the 220 stands in the first zone began in April 1972 and 72 stands have been sold for R245 000, most of them on instalments. Sales of stands by South African Townships Mining and Finance Corporation Limited in Bryanston amounted to R883 000, a decrease from last year's figure of R977 000. Only 98 stands remain for sale in the zones now being marketed.

During the year the Group increased to 88 per cent its stake in Creative Homes Limited, its principal township operating company in the Cape. The profits achieved were lower than those of the previous year reflecting a downturn in property activity in that province. There have been substantial changes in the management and organisation of the company, and a rationalisation of its portfolio of properties for township development is being carried out. The company owns 5 500 hectares of undeveloped land. A subsidiary group, Creative Estates Limited, which is active in the parallel field of estate agency is marketing residential properties, mainly in the Cape and the Transvaal.

Good progress was made at Marina da Gama, the first residential marina development in Africa. It will eventually cover some 600 hectares on Zandvlei, a fresh-water lagoon on the False Bay coast at Muizenberg, and will include full residential, recreational and commercial facilities. The layout of the first township extension has been approved and a contract has been awarded for the construction of the first 40 houses which are to be completed by the end of 1973 when marketing will begin. A further contract for earth moving, the installation of township services and the excavation of waterways, has been awarded and this work is proceeding according to schedule.

Retail and General Properties owns a number of shopping centres and small city properties in the Transvaal and Natal. Construction of its major investment, a regional shopping centre at Kenilworth, Cape Town, is on schedule and it is expected that the first section will be available for trading towards the end of 1973.

The Group's interest in Land Investment and Development Corporation Limited (LIDCOR), was disposed of to The London Australian and General Exploration Company Limited (LAGS) during the year, the consideration being one share in LAGS for each ordinary share in LIDCOR.

Further details of the property companies in which the Group holds shares are given on page 84.

Exploration and research

Emphasis on base metals and gold

The Group's world-wide exploration activities continued during 1972 with prospecting being carried out in 30 countries, in Africa, Australia, North and South America, Europe and the Far East. The major areas of interest, however, continue to be in southern and central Africa where the emphasis in the past year has been on base metals and gold.

In southern Africa the main activity in the search for base metals continues to be concentrated in the north-western Cape and follow-up drilling is being carried out on geochemical and geophysical anomalies which have been found in this area. The search for nickel in other parts of the Republic continues in collaboration with International Nickel Company of Canada Limited.

Higher prices for gold on the free market led to a renewed interest in gold exploration in South Africa. The Corporation is reviewing all available information on low-grade gold deposits. In addition, work started in 1971 to test for possible extensions of the Upper Witwatersrand System south of the Orange Free State goldfield was continued in 1972.

In the Rössing area of South West Africa a uranium exploration programme has begun in the Husab joint venture area, which is held by the Corporation in conjunction with Union Corporation Limited, Compagnie Francaise de Petroles and Aquitaine S.W.A. In addition Aquitaine S.W.A. has joined the Group in its investigation of other areas in this general vicinity. A uranium occurrence has been located in one of these areas but its significance has still to be assessed.

Following the introduction of a mineral rights tax by the Botswana Government it was felt that the best interests of the Group would be served by surrendering to the government the mining rights held by the Group in the Tuli, Lobatsi and Gaborone Blocks and making application for special prospecting licences over areas considered to have the best potential for mineralisation.

Due to unrest in the Tete area of Mozambique a decision to suspend exploration for base metals was taken after consultation with government authorities. In the other Portuguese overseas province in southern Africa, Angola, the Corporation has made application to the Portuguese Government for a concession in the Cachoeiras area, where there is evidence of the presence of copper, and in other areas considered to have base metal potential.

In coal little new exploration was done in South Africa and Botswana. Considerable effort has been put into the more detailed proving of metallurgical and steam coal reserves for existing markets within the Republic and for export. In Swaziland the anthracite and low volatile bituminous resources in the Swaziland Collieries Concessions, the management of which was acquired from Barlow Rand Limited, are being thoroughly investigated.

In the Malagasy Republic four of the syndicates in which the Corporation participated with French partners have been terminated,



but the syndicate involved with appraisal work of the lateritic nickel deposit at Moramanga is continuing. The Corporation has, at the invitation of Bureau de Recherches Géologiques et Minières, accepted a minor participation in a venture to examine another area in Malagasy of potential interest for chrome and base metals.

Following a review of the results obtained in Mozambique and South West Africa, the Corporation has withdrawn from active participation in oil prospecting programmes in those countries, but in Angola is maintaining its participation in the South African consortium, Ansa, with interests in a producing area. The Corporation has relinquished its interest in the consortium which had an option with Placid Oil Company over parts of Block F off the South African coast near Mossel Bay.

In Rhodesia a small shaft was sunk on the Great Dyke to the northwest of Salisbury, so that a more detailed investigation could be conducted into copper, nickel and chrome occurrences. Prospecting for nickel and copper on serpentinites continued and drilling took place on several encouraging prospects. Bauxite soils covering an extensive area in the eastern part of the country were examined and results of laboratory investigations undertaken to determine recovery factors are being studied. In the Mtoko area three leases were obtained over black granite deposits and quarrying operations have started.

In Zambia the main prospecting interest now centres on the Munali nickel deposit south of Lusaka, where drill holes were completed in 1972, and where further prospecting operations will be undertaken during 1973. Other copper and nickel anomalies are being actively investigated in 11 areas which have been retained. In the various mining licence areas belonging to Nchanga Consolidated Copper Mines Limited exploration for extensions to existing ore reserves was successfully continued, as was the search for new ore bodies in the Kansanshi and Chingola areas. Additional mineralisation of particular interest is being tested at Rokana.

Anglo American Corporation of Canada Limited (AMCAN) continued its programme of exploration in the Yukon Territory, British Columbia, Ontario and Quebec in conjunction with Hudson Bay Exploration and Development Company. AMCAN directly and indirectly holds a substantial interest in Francana Oil and Gas Limited, which has widespread interests in oil and gas areas throughout Canada, particularly in the Arctic islands, as well as a substantial shareholding in Trend Exploration Limited of Denver, Colorado. This latter company holds interests in oil concessions in a number of countries around the world including West Irian in Indonesia, where in October an announcement of a promising oil discovery was made. Panarctic Oils Limited, a consortium of several companies and the Canadian Government, is currently drilling a property in which Francana Oil and Gas has a 15 per cent interest approximately 11 miles from the successful oil well Romulus C42 on Ellesmere Island in the Arctic.

Australian Anglo American Limited in association with Australian partners initiated new operations in the Northern Territory of Australia and in Papua, New Guinea. In the Northern Territory,

work began late in 1972 on a uranium prospect in the South Alligator River area and copper prospects on Manus Island in Papua, New Guinea, are being examined. Work in the Pilbara area of Western Australia revealed a number of copper and other mineral occurrences some of which were investigated with negative results, while others remain to be tested. Investigations were started into the feasibility of reopening the Blue Spec gold and antimony mine near Nullagine in Western Australia after agreement had been reached with Metramar Minerals Limited in terms of which Australian Anglo American can earn up to a 50 per cent interest in the project. The joint venture with Kaiser Steel in Queensland continued with reconnaissance prospecting and the drilling of four prospects identified by this work will start this year. In Tasmania, where a regional programme has been carried out in difficult conditions of weather, vegetation and terrain over the last five years, specific targets have now been defined and drilling has begun.

Charter Consolidated Limited continued its widespread prospecting activities during the year. In the Republic of Zaïre, the Société Minière de Tenke-Fungurume has advanced further towards the completion of its detailed feasibility study. By the end of 1972 the company had completed 350 boreholes. Reserves computed by 5th January 1973 for an open cast mining programme were estimated at 45,7 million metric tons of oxide, mixed and sulphide ores grading 5,5 per cent copper and 0,44 per cent cobalt. The reserves include 20,4 million tons of oxide ore grading 5,6 per cent acid soluble copper and 0,39 per cent acid soluble cobalt. Investigations continued in Thailand into the feasibility of exploiting offshore tin deposits. In the North Sea seismic surveys of the two blocks held by the Charter/Home Oil consortium have been completed and, subject to the availability of a suitable rig, drilling is expected to start later this year. In addition to the many mineral prospects examined during the year, primary prospecting by Charter geologists was conducted in the Iberian Peninsula, Ireland and Iran, where activity was recommenced in 1972 and where the work is once again being undertaken in partnership with the government agency, Idro. Base metals such as copper, lead and zinc are the general targets in each of these countries.

During 1972 a survey was made of Brazil. As a result the Corporation, in association primarily with Charter, has decided to open an office and form a company in Rio de Janeiro which will participate in exploration ventures and examine mining opportunities in association with Brazilian partners.

RESEARCH The most important project carried out during the year was the continuation of the work to effect improvements in the recovery of gold from the mines in South Africa. New techniques have been developed and put into use and have led to increased revenue to the gold mines. Further improvements are likely. Other important research work has been in the metallurgical field, mainly the recovery of copper, nickel and cobalt and in the beneficiation of chromium ores, particularly those of low grade. The Corporation's

main research effort is carried out through the Anglo American Research Laboratories and the Electronics Laboratory in Johannesburg.

In the field of environmental control, particularly in the treatment and recovery of valuable constituents from aqueous effluents, useful work is being done and it is expected that work in this sphere will be expanded.

In the newly formed Computer Applications Section at the Anglo American Research Laboratories techniques have been developed to enable metallurgical operations to be considered as an integrated whole so that, for example, a study can be made of the complete operation of a gold extraction plant with its various units being seen in their interdependence.

At the Electronics Laboratory the highly successful rope testing procedure has been even further refined and an early warning fire detection system has been perfected. This includes telemetering of information specifically relevant to fire detection and also of more general significance. A start has been made with a detailed investigation into the important problem of mass and mass flow measurement.

General

Mr W. G. Bousted and Mr C. J. L. Griffith, who were appointed directors of the Corporation on 27th January 1972, retired from the board in terms of the Corporation's articles of association at the annual general meeting held on 9th June 1972 and were re-elected directors at that meeting.

Mr N. K. Kinkead-Weekes and Mr H. R. Fraser were appointed to the board on 16th November 1972 and 9th March 1973 respectively, and in terms of the Corporation's articles they retire at the forthcoming annual general meeting. In addition Sir Keith Acutt, Mr D. O. Beckingham, Mr E. T. S. Brown, Mr M. B. Hofmeyr and Mr J. Ogilvie Thompson retire by rotation. The retiring directors are all eligible for re-election.

Details of changes in the boards of the Corporation's subsidiary companies and, where appropriate, details of special resolutions passed by subsidiary companies appear on pages 85 and 86 of this report.

In terms of sub-section 10 of section 70 of the South African Companies Act, Mr H. F. Oppenheimer is deemed to be interested in

13 118 280 ordinary shares of the Corporation, of which 565 350 are registered in his name. Mr. Oppenheimer is also deemed to be interested in 1 000 preference shares in African Loans and Investments Limited, 123 120 shares in Anglo American Prospecting Company Limited and 60 884 shares in Anglo American Prospecting Company (South) Limited which are subsidiaries of the Corporation.

The interests of the remaining directors do not in the aggregate, in respect of either share capital or voting control, exceed five per cent of the Corporation or any of its subsidiaries. The Corporation is not aware of the extent, if any, of the directors' family interests.

The register of directors' shareholdings in the Corporation and its subsidiaries will be open for inspection at the forthcoming annual general meeting.

The directors of the Corporation wish to thank all members of the staff of its various offices for the loyal and efficient service given during the year.

CHAIRMAN'S STATEMENT A statement by the Chairman of the Corporation, Mr H. F. Oppenheimer, will be sent to members before the date of the annual general meeting.

H. F. OPPENHEIMER, *Chairman*
KEITH ACUTT
D. O. BECKINGHAM
F. S. BERNING
W. G. BOUSTRED
E. T. S. BROWN
FREDERICK CRAWFORD
G. C. FLETCHER
H. R. FRASER
W. S. GALLAGHER
C. J. L. GRIFFITH
M. B. HOFMEYR
N. K. KINKEAD-WEEKES
PHILIP OPPENHEIMER
G. W. H. RELLY
ALBERT ROBINSON
M. W. RUSH
J. W. SHILLING
S. SPIRO
J. OGILVIE THOMPSON
G. H. WADDELL
W. D. WILSON

Directors

Johannesburg
19th April 1973

Accounts

- Auditors' report 42
- Features of the consolidated accounts 43
- Consolidated balance sheet 44
- Consolidated profit and loss account 46
- Profit and loss account 47
- Balance sheet 48
- Notes on the accounts 50
- Financial statistics 52

Auditors' report

To the members,
Anglo American Corporation of South Africa Limited

We have examined the books and accounts and vouchers of the Corporation and have satisfied ourselves of the existence of the securities. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Corporation, so far as appears from our examination of those books, and proper returns, adequate for the purpose of our audit, have been received from the Corporation's London and Salisbury offices.

The attached balance sheet and profit and loss account are in agreement with the books of account and returns. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1926, as amended, in the manner so required, the balance sheet gives a true and fair view of the state of the Corporation's affairs as at 31st December 1972, and the profit and loss account gives a true and fair view of the profit for the year ended on that date.

We have also examined the annexed consolidated balance sheet and consolidated profit and loss account of the Corporation and its subsidiary companies with the audited accounts of those companies. In our opinion such consolidated accounts have been properly prepared in accordance with the provisions of the Companies Act, 1926, as amended, so as to give a true and fair view respectively of the state of affairs and of the profit of the Corporation and its subsidiaries so far as concerns the members.

ALEX, AIKEN & CARTER
GOLDBY, PANCHAUD & WEBBER *Chartered Accountants (S.A.)*

Johannesburg
19th April 1973

Features of the consolidated accounts

	1971	1970
	R	R
Investments in quoted companies	292 344 000	271 283 000
Book value of quoted investments	350 609 000	348 445 000
Market value of quoted investments	1 162 757 000	840 942 000
Investments in unquoted companies	86 436 000	83 096 000*
Investments in subsidiary companies	40 906 000	39 213 000
Investments in associates	40 970 000	38 692 000
Equity earnings per share	34.9 cents	31.5 cents
Dividends per share	17 cents	16 cents
Number of issued shares	22 069 000	20 771 000
Number of issued shares	129 820 400	129 820 400

*Excluding investment in subsidiary companies not consolidated

Consolidated balance sheet 31st December 1972

J. T. Goldfinch, *Managing Secretary*
A. W. Mollatt, *Treasurer*

Johannesburg, 19th April 1973

For notes see pages 50 and 51

Directors: H. F. Oppenheimer
Keith Acutt
W. D. Wilson

Consolidated profit and loss account for the year 1972

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED AND SUBSIDIARY COMPANIES

		1971		1972
	R 000's		R 000's	R 000's
Income from investments	44 679			40 906
Income from interest, fees and other sources after deducting administration expenses	29 418			28 283
Surplus on realisation of investments, less provision against investments	49			1 064
	<u>74 146</u>			<u>70 253</u>
<i>Deduct:</i>				
Interest paid:	2 653			1 530
Loan capital	11 046			10 919
Loans by associated companies and others	13 699			12 449
Expenditure on office, research and transport equipment	1 354			1 263
Contributions to staff pension funds	1 022			960
Costs of prospecting	3 544			6 160
<i>Loss on and provision against loans</i>	<u>2 858</u>			<u>23 690</u>
	19 619			46 563
Group profit before taxation	54 527			1 796
Provision for taxation (note 9)	<u>4 409</u>			
Group profit after taxation	50 118			44 767
<i>Deduct:</i>				
Outside shareholders' interests in subsidiary companies	<u>4 453</u>			<u>3 511</u>
Group profit attributable to				
Anglo American Corporation of South Africa Limited	45 665			41 256
Appropriations				
Dividends:				
<i>On preferred stock:</i>				
No. 86 of three per cent, declared 6th June 1972	143			143
No. 87 of three per cent, declared 8th December 1972	143			143
<i>On ordinary shares:</i>				
No. 72 (interim) of 5½c per share, declared 28th September 1972	7 142			6 491
No. 73 (final) of 13½c per share, declared 15th March 1973	<u>17 532</u>			<u>15 578</u>
	24 960			22 355
Capital reserve	493			—
General reserve	<u>20 004</u>			<u>17 500</u>
	45 457			39 855
	208			1 401
<i>Add:</i> Unappropriated profit, 31st December 1971	8 414			5 890
Adjustment thereto arising from the realignment of currencies	<u>448</u>			<u>1 123</u>
	8 862			7 013
Unappropriated profit, 31st December 1972	9 070			8 414

For notes see pages 50 and 51

Profit and loss account for the year 1972

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

			1971
	R000's	R000's	R000's
Income from investments		35 685	33 549
Income from interest, fees and other sources after deducting administration expenses		20 080	20 719
<i>Surplus on realisation of investments, less provision against investments</i>		—	893
		55 765	55 161
<i>Deduct:</i>			
Interest paid:			
Loan capital	2 653	1 530	
Loans by associated companies and others	9 208	10 147	
	11 861	11 677	
Expenditure on office, research and transport equipment	1 151	951	
Contributions to staff pension funds	818	789	
Costs of prospecting	2 605	3 877	
<i>Loss on and provision against loans</i>	—	3 025	
<i>Loss on realisation of investments and provision against investments</i>	2 805	—	
	19 240	20 319	
Profit before taxation	36 525	34 842	
Provision for taxation (note 9)	1 361	519	
Profit after taxation	35 164	34 323	
 Appropriations			
Dividends:			
<i>On preferred stock:</i>			
No. 86 of three per cent, declared 6th June 1972	143	143	
No. 87 of three per cent, declared 8th December 1972	143	143	
<i>On ordinary shares:</i>			
No. 72 (interim) of 5½c per share, declared 28th September 1972	7 142	6 491	
No. 73 (final) of 13½c per share, declared 15th March 1973	17 532	15 578	
	24 960	22 355	
General reserve	10 500	12 000	
	35 460	34 355	
<i>Add: Unappropriated profit, 31st December 1971</i>	—296	—32	
	649	681	
 Unappropriated profit, 31st December 1972	353	649	

For notes see pages 50 and 51

Balance sheet 31st December 1972

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

1971 R000's	1972 R000's	1971 R000's	1972 R000's
Capital			
Authorised:			
14 000			14 000
1 241			1 241
4 759			4 759
<u>20 000</u>			<u>20 000</u>
12 982			12 986
<u>4 759</u>			<u>4 759</u>
<u>17 741</u>			<u>17 745</u>
74 065			74 293
154 500			165 000
<u>649</u>			<u>353</u>
<u>155 149</u>			<u>165 353</u>
246 955			257 391
36 228			58 754
<u>283 183</u>			<u>316 145</u>
12 783			23 420
<u>185 085</u>			<u>207 757</u>
<u>197 868</u>			<u>231 177</u>
15 721			17 675
73			886
<u>6 629</u>			<u>8 289</u>
<u>22 423</u>			<u>26 850</u>
<u>503 474</u>			<u>574 172</u>

J. T. Goldfinch, *Managing Secretary*
A. W. Mollatt, *Treasurer*

Johannesburg, 19th April 1973

		1971		
	R000's	R000's	R000's	R000's
Investments in subsidiary companies				
Unquoted shares at cost, less amounts written off	108 671		103 783	
Loans	<u>78 368</u>		<u>60 398</u>	
		187 039		164 181
Other investments				
Quoted at cost, less amounts written off	92 277		89 755	
Market value R593 388 000 (1971: R388 611 000)				
Unquoted at cost, less amounts written off and provision	<u>20 460</u>		<u>26 999</u>	
		112 737		116 754
Loans				
Associated companies and others, less provision	152 902		140 633	
Debtors and cash				
Debtors	15 043		13 793	
Cash on deposit, at call and short notice and on hand	<u>106 451</u>		<u>68 113</u>	
		121 494		81 906
Office, research and transport equipment (note 3)	—		—	
		574 172		503 474

For notes see pages 50 and 51

Directors: H. F. Oppenheimer
Keith Acutt
W. D. Wilson

Notes on the accounts

1 Share capital

The unissued capital comprises 10 141 800 ordinary shares of ten cents each and 1 241 250 six per cent cumulative preference shares of R1 each.

Of the unissued ordinary shares 1 500 000 have been placed at the disposal of the directors, acting through trustees, for a share option scheme for senior members of the staff. Options are granted for ten years or until retirement, whichever is the earlier. At 31st December 1971, 337 500 shares were under option at 650 cents a share. On 19th January 1972 additional options over 235 500 shares were granted at 537 cents a share. During the year, of the options at 650 cents a share 10 500 lapsed and 26 200 were exercised leaving 300 800 shares, and of the options at 537 cents a share 11 600 were exercised leaving 223 900 shares. At the year end a balance of 937 500 shares was available for the granting of options.

The remaining 8 679 600 unissued shares are under the unrestricted control of the directors in terms of resolutions of members.

2 Capital reserve

The increase in the capital reserve arises as follows:

Balance at 31st December 1971	R2 877 000
<i>Add:</i>	
Adjustment thereto arising from the realignment of currencies	39 000
Appropriated this year, being retained earnings of a subsidiary company used for share capitalisation issue	493 000
	<u>R3 409 000</u>

3 Revenue reserves

General reserve

The increase in the general reserve arises as follows:

	Corporation	Group
Balance at 31st December 1971	R154 500 000	R202 467 000
<i>Add:</i>		
Adjustment thereto arising from the realignment of currencies	429 000	
1972 profit appropriated	10 500 000	20 004 000
	<u>R165 000 000</u>	<u>R222 900 000</u>

The revenue reserves do not take into account the value of office, research and transport equipment, the cost of which is written off on acquisition.

4 Loan capital (see directors' report)

Loan capital comprises the following:

	Rand equivalents	
Loan of:	1972	1971
(a) Swiss francs 21 509 000	3 511 000	5 267 000
(b) Swiss francs 50 000 000	8 556 000	—
(c) U.S.\$9 529 000	7 460 000	7 147 000
(d) U.S.\$50 000 000	39 142 000	—

	Rand equivalents
(e) R85 000	85 000
(f) Swiss francs 10 754 000	1 756 000
(g) Swiss francs 50 000 000	9 766 000
(h) U.S.\$16 273 000	12 204 000
	<u>R58 754 000</u>
	<u>R36 228 000</u>

The increased liability in respect of loan (c) arises as a result of the realignment of currencies. Associated companies sub-participate in loan (d) to the equivalent of R18 020 000.

Details of the individual loans are as follows:

- (a) The loan of Swiss francs 21 509 000 is represented by 21 509 bonds of 1 000 Swiss francs each and bears interest at the rate of 5 per cent per annum. The loan will be repaid on 15th July 1973 from the proceeds of loan (b). The servicing and redemption of the bonds are covered by forward exchange contracts with the South African Reserve Bank.
- (b) The loan of Swiss francs 50 000 000 bears interest at the rate of $5\frac{1}{4}$ per cent per annum and is repayable by 15th November 1987, subject to the undertaking that the Corporation will, if possible, purchase in the market for cancellation up to Swiss francs 7 500 000 of the loan at prices not exceeding par in each of the four 60 day periods prior to 15th November in the years 1983 to 1986. The Corporation has the right to redeem the full loan earlier, at a premium of four per cent reducing to $\frac{1}{2}$ per cent, on any annual interest payment date in the years 1974 to 1981 and thereafter at par. The servicing and repayment of the loan is covered by forward exchange contracts with the South African Reserve Bank.
- (c) The loan of U.S.\$9 529 000 bears interest at the rate of 6.96 per cent per annum and is repayable between 1978 and 1982 subject to minor repayments of U.S.\$104 000 each year from 1973 to 1977 inclusive. The Corporation may, in certain circumstances, make repayment earlier.
- (d) The loan of U.S.\$50 000 000 bears interest at the rate of $7\frac{1}{2}$ per cent per annum and is repayable at par in instalments of \$1 500 000 on 1st March in each of the years 1977 to 1981 inclusive, \$2 500 000 on 1st March 1982 and \$8 000 000 on 1st March in each of the years 1983 to 1987 inclusive. The Corporation may, in certain circumstances, make repayment earlier.
- (e) The loan of R85 000 is represented by $5\frac{1}{4}$ per cent registered unsecured notes which are repayable at par on 31st March 1982 unless previously purchased or redeemed in accordance with the note conditions.

5 Outside shareholders' interests

The interests of the outside shareholders in subsidiary companies amounted to R155 058 000 at 31st December 1972. This does not take into account the excess of R72 706 000 (1971: R39 726 000) attributable to outside shareholders in respect of the amount by which the market value of quoted investments held by subsidiaries exceeded their book value.

6 Contingent liabilities and commitments

(a) There are contingent liabilities in respect of:

- (i) A guarantee with others to a diamond mining company in respect of an agreement which that company has with The Diamond Corporation Limited. The Corporation's liability has, however, been fully counter-guaranteed.
- (ii) Guarantees with De Beers Consolidated Mines Limited in respect of the servicing and repayment of foreign loans to Highveld Steel and Vanadium Corporation Limited of Deutschemarks 100 000 000, U.S.\$20 000 000 and Swiss francs 65 000 000 (1971: D.M. 100 000 000, U.S.\$20 000 000 and Swiss francs 65 000 000). The servicing and repayment of the loans are covered by forward exchange contracts with the South African Reserve Bank.
- (iii) Completion undertakings to lenders to Bamangwato Concessions Limited and the Republic of Botswana in respect of a portion (amounting to the equivalent of R34 680 000 at current exchange rates) of loans in United States dollars, Deutschemarks and Rand whereby the Corporation with another undertakes to arrange or procure 37.5 per cent of any finance, additional to that already arranged, which may be required to complete the Selebi-Pikwe mine. A 64 per cent interest in the undertakings has been laid off to associated companies. The undertakings continue until certain requirements of the lenders as to completion of the project have been met.

Guarantees with another in respect of the United States dollar and Deutschemark loans, referred to in the preceding paragraph, to the extent of the equivalent of R7 894 000 (at current exchange rates) of which R5 059 000 has been laid off to associates.

- (iv) Other guarantees given by the Corporation totalling R11 563 000 (1971: R9 502 000) and by subsidiary companies totalling R22 298 000 (1971: R8 813 000) for the fulfilment of other contractual obligations. Counter-guarantees have been obtained for R2 872 000 (1971: R1 566 000). Of the guarantees by subsidiaries R5 038 000 pertains to the outside shareholders.
- (b) There are commitments in respect of undertakings to dispose of, subscribe or procure subscriptions for shares in and to make loans to other concerns.

7 Property, mineral rights and equipment

The amount of R11 856 000 shown in the consolidated balance sheet under this heading comprises the following:

	1972	1971
	R	R
Fixed assets—land, buildings and fixed improvements at cost, or net book value		
1st January 1953	9 765 000	8 949 000
Mining and other properties, mineral rights and trading rights, at cost less amounts written off	2 091 000	6 268 000
Office, research and transport equipment—written off	—	—
	<u>R11 856 000</u>	<u>R15 217 000</u>

No depreciation of fixed assets has been provided during the year.

8 Directors' remuneration

The aggregate amount payable to directors and alternate directors by the Corporation and its subsidiary companies is as follows:

	1972	1971
	R	R
Directors' fees	77 000	79 000
Other emoluments	<u>850 000</u>	<u>627 000</u>
	<u>R927 000</u>	<u>R706 000</u>

Pensions of past directors for services in a managerial capacity

<u>R36 000</u>	<u>R34 000</u>
----------------	----------------

9 Provision for taxation

Provision for taxation has been made as follows:

	1972			1971
	Corporation	Group	Corporation	Group
	R	R	R	R
South African	1 030 000	1 653 000	370 000	689 000
Foreign	<u>347 000</u>	<u>2 759 000</u>	<u>169 000</u>	<u>1 376 000</u>
	<u>1 377 000</u>	<u>4 412 000</u>	<u>539 000</u>	<u>2 065 000</u>
Net adjustment in respect of previous year	<u>16 000</u>	<u>3 000</u>	<u>20 000</u>	<u>269 000</u>
	<u>R1 361 000</u>	<u>R4 409 000</u>	<u>R519 000</u>	<u>R1 796 000</u>

10 Currency conversion

Foreign currencies have been converted at the approximate rates of exchange ruling at 31st December 1972.

Financial statistics from the consolidated accounts
for the ten years to 1972

	Number of issued ordinary shares†	Issued ordinary capital and reserves	Investments		Equity earnings after taxation	Equity earnings per share†	Dividend per ordinary share†	Total ordinary dividend
			Book value	Market value*				
1963	126 434 710	162 814 000	161 293 000	361 518 000	23 358 000	18,5	10	12 643 000
1964	126 740 400	175 402 000	167 562 000	401 165 000	27 174 000	21,4	12	15 213 000
1965	127 353 040	189 229 000	170 188 000	419 893 000	28 941 000	22,7	13	16 555 000
1966	128 082 300	204 685 000	179 360 000	490 104 000	30 536 000	23,8	13	16 648 000
1967	129 820 400	222 260 000	212 835 000	616 177 000	30 540 000	23,5	13	16 824 000
1968	129 820 400	237 050 000	262 299 000	956 355 000	32 728 000	25,2	14	18 175 000
1969	129 820 400	253 362 000	283 117 000§	818 138 000§	36 224 000	27,9	16	20 771 000
1970	129 820 400	271 283 000	307 335 000§	688 610 000§	38 692 000	29,8	16	20 771 000
1971	129 820 400	292 344 000	434 881 000	927 378 000	40 970 000	31,5	17	22 069 000
1972	129 858 200	314 204 000	449 946 000	1 262 094 000	45 379 000	34,9	19	24 674 000

*Includes unquoted investments at book value and outside shareholders' interest in surplus of market value of quoted investments over book value

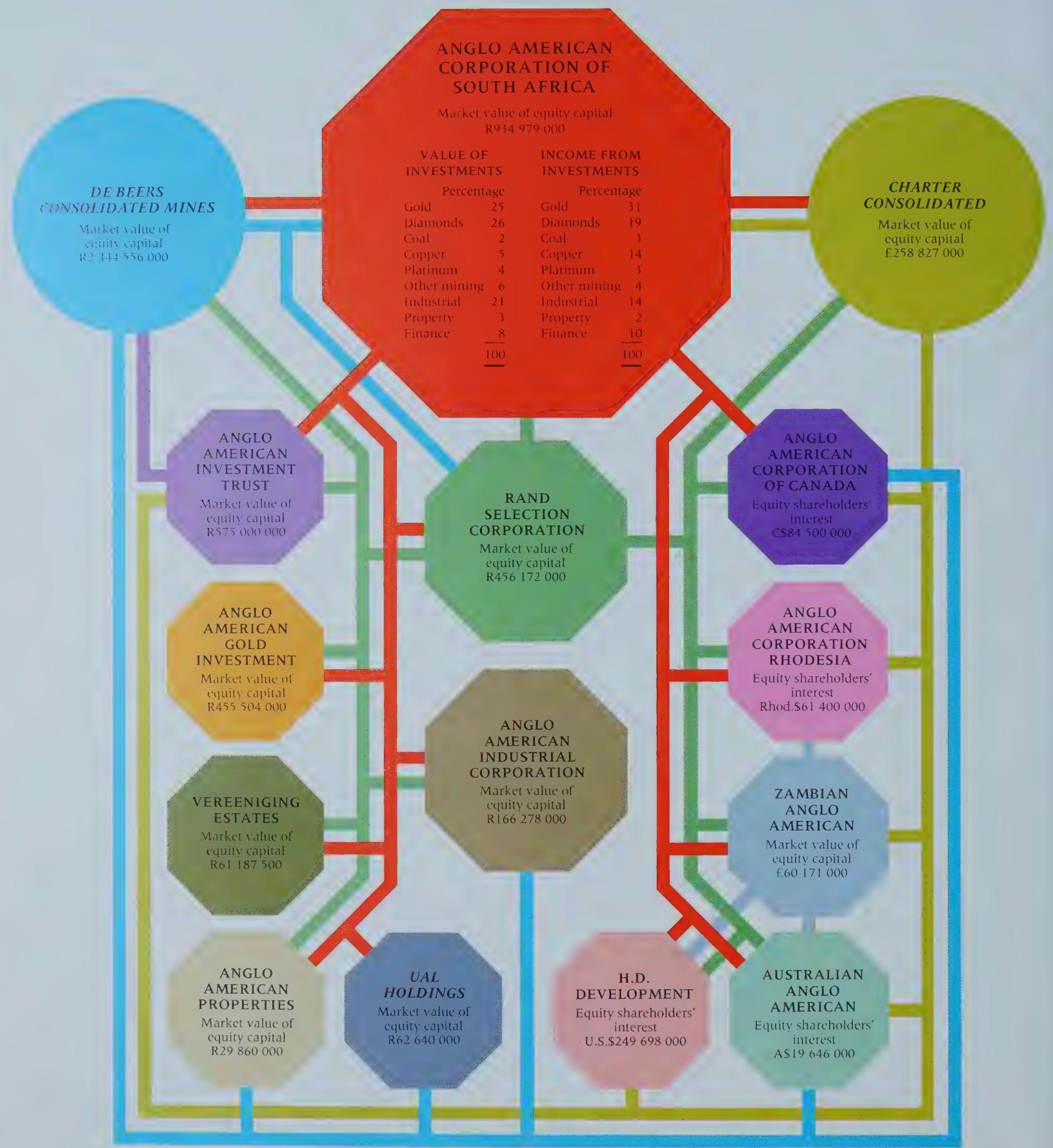
†Adjusted for share subdivision on 13th June 1969 of R1 shares into 10 cent shares, for purposes of comparison

§Excluding investment in subsidiary companies not consolidated

Profile of the Group

- Structure of the Group 54
- Interests of the Group 56
- Finance and investment 60
- Gold, Orange Free State 66
- Gold, Far West Rand and Klerksdorp 68
- Gold, Rand and Evander 70
- Diamonds 72
- Copper and other mining 74
- Coal 77
- Industrial and commercial 79
- Property 84

Structure of the Group



Anglo American Corporation is head of a group that comprises a large number of companies which the Corporation administers, but which in most cases are not subsidiaries in the statutory sense. These companies fall into two main categories: the finance and investment companies, through which the majority of the Corporation's investments is held; and the mining, industrial and other operating companies. The Corporation also has substantial investments in a number of companies which it does not administer, the most important of these holdings being in De Beers and Charter, with which the Corporation has close links derived from associations of many years' standing.

The structure of the Anglo American Corporation Group is outlined in the chart, which shows the significant shareholding relationships between the Corporation and the principal Group companies, and how the Group's interests in De Beers and Charter are held. The more important holdings of these two companies in the Anglo American Corporation Group are also shown. The De Beers group holds an interest of about 48 per cent in Rand Selection Corporation, and the De Beers and Charter groups each hold approximately 25 per cent in Anglo American Corporation of Canada.

The brief descriptions of the companies that follow indicate their principal interests or activities; the market valuations in the chart are at 31st December 1972. Names of companies outside the Anglo American Corporation Group are printed in italics.

DE BEERS CONSOLIDATED MINES

Produces natural and synthetic diamonds, co-ordinates the marketing of diamonds produced by the *De Beers group* and other producers, and has diversified investments outside the diamond industry. At end 1972 investments and net current assets of the *De Beers group* were valued at R728 million after providing for investment loans.

CHARTER CONSOLIDATED

Mining finance and investment. Investment distribution of net assets (per cent) on 31st March 1972 was: Mining finance 55.4; diamonds 6.6; gold 2.4; copper and other metals 7.1; tin and wolfram 2.5; industrial, commercial and oil 25.1; long-term loans 0.9. Geographical distribution (per cent) South Africa 36.4; rest of Africa 9.9; North America 19.1; United Kingdom 14.4; Australia 15.8; elsewhere 4.4.

RAND SELECTION CORPORATION

Finance and investment with interests in many Group companies, including Anglo American Corporation itself, Amgold, AMIC, ANAMINT, S.A. Townships, Vereeniging Estates and Zamanglo. Also in Carlton Centre, Highveld Steel, Swaziland Iron Ore and Western Deep Levels. Other interests include *De Beers*, *Charter*, *J.C.I.*, *AMCAN* and Australian Anglo American.

ANGLO AMERICAN INDUSTRIAL CORPORATION

Industrial finance and investment. Holdings in *De Beers Industrial Corporation* (which has a 42.5 per cent interest in *AE&CI*), *Bruynzeel Plywoods*, *LTA*, *Vereeniging Refractories*, *S.A. Board Mills*, *Highveld Steel*, *Union Steel*, *Mondi Paper* and other companies. *Scaw Metals*, *Boart* and *Hard Metal Products* and *S.A. Forest Investments* are wholly-owned subsidiaries, and *Freight Services Holdings* is a subsidiary.

ANGLO AMERICAN INVESTMENT TRUST

Major shareholdings in *De Beers Consolidated Mines* and diamond trading companies.

ANGLO AMERICAN GOLD INVESTMENT COMPANY

Substantial holdings in gold and gold/uranium mines in the western Transvaal and in all the gold mines in the Orange Free State. Major holdings include *East Driefontein*, *Free State Geduld*, *Gold Fields of South Africa*, *President Brand*, *President Steyn*, *St. Helena*, *Vaal Reefs*, *West Driefontein*, *Western Deep Levels* and *Western Holdings*.

THE VEREENIGING ESTATES

Owes properties and mineral and coal rights in the Transvaal and O.F.S. and has substantial interests in coal mining. Subsidiaries include *Amalgamated Collieries*, *Coronation*, *Springbok* and *Vryheid Coronation*. Industrial interests include *Vereeniging Refractories* (a subsidiary).

ANGLO AMERICAN PROPERTIES

Substantial interests in city centre office and shopping complexes in most major centres of South Africa; townships and marinas, residential apartments and land for future development. Holds a major shareholding in *Carlton Centre*.

UAL HOLDINGS LIMITED

Major force in South Africa in the fields of merchant banking, finance and related advisory services. Managers of *UAL Mutual Fund*, *First Union General Investment Trust* and *Priority Investment Trust*. Involved in trust activities through wholly-owned subsidiary *National Board of Executors*.

ANGLO AMERICAN CORPORATION OF CANADA

Holds Canadian assets of Anglo American Corporation, *De Beers* and *Charter* groups. Major holding in *Hudson Bay Mining and Smelting*.

ANGLO AMERICAN CORPORATION RHODESIA

Holds Rhodesian interests of Anglo American Corporation and *Charter* groups in financial and investment companies; citrus and forestry estates; coal and nickel mines; and industrial, prospecting and property concerns.

ZAMBIAN ANGLO AMERICAN

Holds 49.98 per cent of ZCI which holds 49 per cent of *Nchanga Consolidated Copper Mines* and 12.25 per cent of *Roan Consolidated Mines*. Other substantial interests include *Australian Anglo American*, *Anglo American Corporation Rhodesia* and *H.D. Development*.

AUSTRALIAN ANGLO AMERICAN

Formed in 1971 by the Anglo American Corporation and *Charter* groups to continue an extensive exploration programme and take advantage of new business opportunities in the Australian mining industry.

H.D. DEVELOPMENT

Holds the Group's interest in *Engelhard Minerals & Chemicals Corporation*, which refines, fabricates and markets precious metals; markets ferrous and non-ferrous ores, metals and minerals; and mines, processes and distributes non-metallic minerals.

Detailed information on the interests of the Group is given in the following pages.

Interests of the Group

The Anglo American Corporation Group has interests in a wide range of financial, mining, industrial, prospecting and other companies. The Group holds a large investment in, or a significant proportion of the issued share capital of, the following companies (* indicates subsidiary).

MINING FINANCE AND INVESTMENT

Administered within the Anglo American Corporation Group

African and European Investment Company Limited*

African Loans and Investments Limited*

Amrho Investments (Private) Limited

Anglo American Corporation Botswana Limited

Anglo American Corporation of Canada Limited

Anglo American Corporation of South Africa (Portugal) S.A.R.L.

Anglo American Corporation Rhodesia Limited

Anglo American Gold Investment Company Limited

Anglo American Investment Trust Limited

Angloswazi Investments Limited*

Ang'lux Limited S.A.*

Ansel Holdings (Proprietary) Limited*

Appraised Securities Limited*

Australian Anglo American Limited

Blue Skies (Private) Limited*

Consolidated Mines Holdings (Rhodesia) Limited*

H.D. Development Limited*

Isahlari Investments Limited

New Central Witwatersrand Areas Limited

New Rhodesia Investments Limited*

Overseas and Rhodesian Investment Company Limited

Rand Selection Corporation Limited

Rhochar Holdings Limited*

Rhodesian Nickel Corporation Limited

South African Mines Selection Limited*

South African Townships Mining and Finance Corporation Limited

St. Andrews Securities Limited

Thaton Limited*

The New Era Consolidated Limited*

The Vereenig Estates Limited

Western Ultra Deep Levels Limited

Zambia Copper Investments Limited

Zambian Anglo American Limited

Administered outside the Anglo American Corporation Group

Charter Consolidated Limited

Charter France S.A.

Gold Fields of South Africa Limited

Hollandstraat-ses Beleggings (Eiendoms) Beperk

Johannesburg Consolidated Investment Company Limited

Tanganyika Concessions Limited

Virginia-Merriespruit Investments (Proprietary) Limited

GOLD

Administered within the Anglo American Corporation Group

Daggafontein Mines Limited

East Daggafontein Mines Limited

Freddies Consolidated Mines Limited

Free State Geduld Mines Limited

Free State Saaiplaas Gold Mining Company Limited

Jeannette Gold Mines Limited

President Brand Gold Mining Company Limited

President Steyn Gold Mining Company Limited

Southvaal Holdings Limited

The South African Land & Exploration Company Limited

Vaal Reefs Exploration and Mining Company Limited

Welkom Gold Mining Company Limited

Western Deep Levels Limited

Western Holdings Limited

Administered outside the Anglo American Corporation Group

Blyvoortzicht Gold Mining Company Limited

Bracken Mines Limited

Buffelsfontein Gold Mining Company Limited

Doornfontein Gold Mining Company Limited

East Driefontein Gold Mining Company Limited

Elsburg Gold Mining Company Limited

Harmony Gold Mining Company Limited

Hartebeestfontein Gold Mining Company Limited

Kloof Gold Mining Company Limited

Leslie Gold Mines Limited

Lorraine Gold Mines Limited

St. Helena Gold Mines Limited

West Driefontein Gold Mining Company Limited

Western Areas Gold Mining Company Limited

Winkelhaak Mines Limited

Zandpan Gold Mining Company Limited

DIAMOND MINING AND TRADING

Administered outside the Anglo American Corporation Group

Abrasive Grit Sales Limited

De Beers Consolidated Mines Limited

Industrial Distributors (1946) Limited

Industrial Distributors (Sales) Limited

Industrial Grit Distributors (Shannon) Limited

The Diamond Purchasing and Trading Company (Proprietary) Limited

The Diamond Trading Company Limited

COPPER AND OTHER MINING

Administered within the Anglo American Corporation Group

Bindura Smelting and Refining Company Limited

Botswana Exploration and Mining Company (Proprietary) Limited

Iron Duke Mining Company Limited

Madziwa Mines Limited

Swaziland Iron Ore Development Company Limited

Trojan Nickel Mine Limited

Administered outside the Anglo American Corporation Group

Botswana R.S.T. Limited

Cleveland Potash Limited

Hudson Bay Mining and Smelting Co. Limited

Kiln Products Limited

Nchanga Consolidated Copper Mines Limited

Ndola Lime Company Limited

Roan Consolidated Mines Limited

The Messina (Transvaal) Development Company Limited

The Northern Lime Company Limited

The South West Africa Company Limited

Tsumeb Corporation Limited

COAL

Administered within the Anglo American Corporation Group

Amalgamated Collieries of South Africa Limited

Arnot Colliery (Proprietary) Limited

Blesbok Colliery Limited

Indumeni Coal Mines Limited

Ingagane Colliery (Proprietary) Limited

Morupule Colliery (Proprietary) Limited

Natal Anthracite Colliery Limited

Natal Coal Exploration Company Limited
New Largo Colliery Limited
South African Coal Estates (Witbank) Limited
Springbok Colliery Limited
Springfield Collieries Limited
Swaziland Collieries Limited
The Coronation Collieries Limited
The Newcastle-Platberg Colliery Limited
Transvaal Coal Corporation Limited
Vierfontein Colliery Limited
Vryheid Coronation Limited
Wankie Colliery Company Limited
Witbank Coal Holdings Limited
Zuinguin Natal Collieries Limited

Administered outside the Anglo American Corporation Group
Apex Mines Limited
Balgray Collieries (Proprietary) Limited
Blinkpan Koolmyne Beperk
Coke Producers (Proprietary) Limited
Trans-Natal Coal Company Limited
Witbank Colliery Limited

PLATINUM

Administered outside the Anglo American Corporation Group
Lydenburg Platinum Limited
Union Platinum Mining Company Limited
Waterval (Rustenburg) Platinum Mining Company Limited

PROSPECTING

Administered within the Anglo American Corporation Group
Anglo American Prospecting Company Limited*
Anglo American Prospecting Company (South) Limited*
Anglo American Prospecting Services (Proprietary) Limited
Anmercosa Canadian Exploration Limited
Australian Anglo American Ventures Limited
E.M.A. Rhodesia Limited
Kaffrarian Metal Holdings (Proprietary) Limited
Kimberlitic Searches Limited
Middleridge Limited
Prospecting Ventures Limited
Southridge Limited
Swakop Exploration (Proprietary) Limited
Tuli Exploration (Proprietary) Limited
Valley Exploration and Mining Company Limited
Zamanglo Exploration Limited

Administered outside the Anglo American Corporation Group
Baffinland Iron Mines Limited
Cape Verde (Proprietary) Limited
Groupement d'Etudes du Nickel de Moramanga
Ocean Science and Engineering Inc.
Syndicat de Recherches de Nord-Andriamena

GENERAL INVESTMENT

Administered within the Anglo American Corporation Group
Anseld (Canada) Limited*
Compagnie Financière Eurafricaine
Darch Investments Limited
Epoch Investments Limited
Euranglo (Proprietary) Limited
Lydenburg Holdings Limited*

Administered outside the Anglo American Corporation Group
First Union General Investment Trust Limited
Societa Nazionale Sviluppo Imprese Industriali

BANKING AND TRUST COMPANIES

Administered within the Anglo American Corporation Group
Central Reserves (Proprietary) Limited
Central Reserves (Rhodesia) (Private) Limited

Administered outside the Anglo American Corporation Group
Bahamas International Trust Company Limited
Banco Standard-Totta de Moçambique S.A.R.L.
Banco Totta-Standard de Angola S.A.R.L.
British and Rhodesian Discount House Limited
Cayman International Trust Company Limited
Compagnie Financière de Paris et des Pays-Bas
Founders Building Society
National Finance Corporation of South Africa
Rhodesian Acceptances Limited
The Discount House of South Africa Limited
U.D.C. Bank Limited
UAL Holdings Limited

PROPERTY

Administered within the Anglo American Corporation Group
Anglo American (O.F.S.) Housing Company Limited
Anglo American Properties Limited
Anmercosa Land and Estates Limited*
Anmercosa Leasing (Proprietary) Limited*
Bay Passage Investments Limited
Cabana Beach Developments (Proprietary) Limited
Carlton Centre Limited
C.D.L. Properties (Durban) (Proprietary) Limited
Cecelia Park (Proprietary) Limited
Creative Homes Limited
Crescent Developments (Proprietary) Limited
Exchange Buildings (Proprietary) Limited*
Isipingo Property Investments Limited
La Lucia Property Investments Limited
Muizenburg Marine Estates Limited
Orange Free State Land and Estate Company (Proprietary) Limited
Retail and General Properties Limited
Sabel Developments (Proprietary) Limited

Administered outside the Anglo American Corporation Group
Carlton Hotels Limited
Mainplace Holdings Limited

INDUSTRIAL AND COMMERCIAL

Members of the Anglo American Corporation Group
Finance and investment
Anglo American Industrial Corporation Limited
Boart International Luxembourg S.A.H.
Contractual Holdings Limited
Forest Industries and Veneers Limited
G. & W. Holdings (Proprietary) Limited
Mainstraat Beleggings (1965) (Eiendoms) Beperk
Zamanglo Industrial Corporation Limited
Agriculture and forestry
Debshan Ranches (Private) Limited
Eastern Transvaal Timber Company (Proprietary) Limited
Mazoe Citrus Estates
Peak Timbers Limited

Rhodes Fruit Farms Limited
 R.N.F.E. (Private) Limited
 S.A. Forest Investments Limited
 Simoona Estates Limited
 Soetvelde Farms Limited
 Building construction and related industries
 Bruynzel Plywoods Limited
 Clav Products Limited
 Stone and Allied Industries (O.F.S.) Limited

Food and sugar
 Dewhurst Fresh Foods Limited
 Hippo Valley Estates Limited
 Industrias de Caju, Antenes S.A.R.L.
 Industrias de Caju Mocita S.A.R.L.
 Iron, steel, engineering and related industries
 Boart Products Manufacturing Company Limited
 Hard Metals Limited
 Highveld Steel and Vanadium Corporation Limited
 Mindrill Limited
 Scaw Metals Limited
 Scull Tow Foundries Limited
 Transalloys (Proprietary) Limited
 Craghig Refractories Limited

Scrap
 Boart and Hard Metal Products S.A. Limited
 Boart Drilling and Contracting Limited
 Bowater Associated Industries (Proprietary) Limited
 Freight Services Holdings Limited
 Gerencia Industrial Limitada
 Hard Metals of Canada Limited
 Inpower Works (Proprietary) Limited
 Mondi Paper Company Limited
 Rockbite Products Limited
 Shaft Sinkers (Proprietary) Limited
 Shannon Diamond and Carbide Limited
 Ultra High Pressure Units Limited
 Ultra High Pressure Units (Ireland) Limited

Other industrial and commercial interests

Finance and investment
 Alex Holdings Limited
 Barlow Rand Limited
 Barratts Industries Limited
 De Beers Industrial Corporation Limited
 Agriculture and forestry
 Border Forests (Rhodesia) Limited
 Mining Timbers Limited
 Beverages and hotels
 The Ridgeway Hotel Limited
 The South African Breweries Limited
 Zambia Breweries Limited
 Building, construction and related industries
 L.T.A. Limited
 Premier Portland Cement Company (Rhodesia) Limited
 Food and sugar
 African Products Manufacturing Company Limited
 Huletts Corporation Limited
 Oranje Koekamers Beperk
 The Rhodesian Milling Company (Private) Limited
 Tiger Oats and National Milling Company Limited
 Iron, steel, engineering and related industries
 Cullinan Holdings Limited
 Hall, Longmore and Company Limited
 International Pipe and Steel Investments S.A. (Proprietary) Limited

Lenning Holdings Limited
 Middelburg Steel and Alloys (Proprietary) Limited
 Rheem South Africa (Proprietary) Limited
 Rhodesian Alloys Limited
 Stewarts and Lloyds of South Africa Limited
 The Rhodesian Iron and Steel Company Limited
 Union Carriage and Wagon Company Limited
 Union Steel Corporation (of South Africa) Limited
 Motor and transport
 Atkinson Oates Motors Limited
 Illings (Proprietary) Limited
 McCarthy-Main Holdings Limited
 McCarthy Rodway Limited
 Sundry
 A E & CI Limited
 Chemical Holdings Limited
 Duropenta Holdings (Proprietary) Limited
 J. L. Clark and Company Limited
 South African Board Mills Limited
 Stafford Mayer Company South Africa Limited
 Textiles
 Industex Limited
 Ropes and Mattings Holdings Limited
 South African Nylon Spinners (Proprietary) Limited

SUNDRY COMPANIES

Administered within the Anglo American Corporation Group
 Anglo American Corporation (Central Africa) Limited*
 Anglo American Corporation Management and Services A.G.*
 Anglo American Corporation Services Limited*
 Anglo American Gold Development Company Limited
 Anglo American International (U.K.) Limited
 Anglo American International Services (Proprietary) Limited*
 Anglo American Rhodesian Development Corporation Limited
 Anglo American (Rhodesian Services) Limited*
 Anglo Botswana Services (Proprietary) Limited*
 Anglo Charter International Services Limited
 Anmercosa Computer Services Limited*
 Anmercosa Overseas Service (U.K.) Limited
 Anmercosa Sales Limited
 Anmersales A.G.
 Australian Anglo American Services Limited*

Administered outside the Anglo American Corporation Group

Ansa Petroleum Beperk
 Computer Sciences Sigma Limited
 Consolidated Share Registrars Limited
 Copperbelt Power Company Limited
 C.T. Bowring and Associates Holdings (South Africa) Limited
 Ewing MacDonald and Company Limited
 Gallo (Africa) Limited
 Swaziland Development Corporation



Finance and investment

The Corporation has indirect interests in a large number of companies through its shareholdings in finance and investment companies. Particulars of the principal finance and investment companies in which the Corporation holds shares and which are administered within the Anglo American Corporation Group are given below, together with the more important finance and investment companies with which the Corporation is closely associated but which are administered outside the Group.

Administered within the Anglo American Corporation Group

Anglo American Corporation Botswana Limited

The company (AMBOT) holds the interests of the Anglo American Corporation Group and certain other associated companies in Botswana.

AMBOT has an indirect interest of approximately 18 per cent in Botswana RST Limited, which in turn holds 85 per cent of the equity of Bamangwato Concessions Limited which is developing a nickel/copper mine at Selebi-Pikwe in Botswana. Production of nickel/copper matte is expected to begin early in 1974. AMBOT's other holdings include 80 per cent of Morupule Colliery (Proprietary) Limited, which is establishing a coal mine near Palapye in Botswana, scheduled to begin production in mid-1973. Morupule Colliery has an agreement with Botswana Power Corporation to supply coal for the power station being built adjacent to the Selebi-Pikwe mine. Coal will also be supplied direct to the mine.

Anglo American Corporation of Canada Limited

The company was established in 1966 to consolidate the bulk of the Canadian assets of the Anglo American Corporation, De Beers and Charter Consolidated groups. These include both direct and indirect investments in copper, zinc, cadmium, gold, silver, potash and uranium mining, chemical, crude oil and natural gas production, road, rail and sea transportation, land development and prospecting operations.

At 31st December 1972 the company's principal investments were as follows:

	No. of shares	Per cent
Hudson Bay Mining and Smelting Co. Limited	2 530 671	27.99
Francana Development Corporation Limited	400 000	40.00
Agnew Lake Mines Limited	150 001	10.00
The White Pass and Yukon Corporation Limited	494 985	26.22
Great Northern Capital Corporation Limited	1 133 470	33.26
Year ended 31st December 1972.		
Issued capital stock: \$86 085 450 in 8 429 545 shares of no par value.		
Total shareholders' equity (consolidated): \$96 912 230.		
	1972	1971
Market value of quoted investments	\$81 740 183	\$75 279 293
Book cost of quoted investments	\$94 646 979	\$87 224 221
Book cost of unquoted investments	\$14 444 827	\$14 499 098
Net asset value per share	\$10.02	\$9.88

	1972	1971
Income before taxation, gains on realisation and provision for losses on investments	\$3 273 351	\$1 223 470
Provision for taxation	\$54 737	\$50 317
Income before gain on realisation and provision for losses on investments	\$3 203 233	\$1 173 153
Earnings per share	38c	13.9c
Gain on realisation of investments	\$2 458 865	\$1 140 603
Provision for losses on investments	(\$1 056 617)	—
Net income	\$4 605 481	\$2 313 756
Earnings per share	54.6c	27.4c
Dividends:		
Amount paid	\$2 528 864	\$2 528 864
Per share	30c	30c

All amounts expressed in Canadian currency.

Anglo American Corporation Rhodesia Limited

The company, in conjunction with certain other Rhodesian Group companies, holds the Rhodesian interests of the Anglo American Corporation and Charter Consolidated groups and has a widely diversified portfolio of Rhodesian-based investments which provide the major part of its income by way of dividends. Its major investments include coal, nickel and copper mining, iron, steel, ferro-chrome and allied engineering industries, citrus, sugar, general agriculture, forestry and timber processing, cement, flour milling, rolling stock hire, property, merchant-banking and investment finance. In addition it has a substantial participation in the Corporation's prospecting programme in Rhodesia.

Year ended 30th June 1972.

Issued capital: \$7 088 651.50 in shares of 50 cents each.

Total equity capital and reserves: \$44 353 731.

1972 1971

Market value of quoted investments	\$29 011 133	\$18 112 955
Book cost of quoted investments	\$11 978 439	\$9 330 546
Book cost of unquoted investments	\$26 501 280	\$30 364 322
Profit after taxation	\$2 557 852	\$2 118 620

All amounts expressed in Rhodesian currency.

Anglo American Gold Investment Company Limited

(formerly West Rand Investment Trust Limited)

An investment company with major shareholdings in South African gold and uranium mining companies.

In terms of a Scheme of Arrangement, which received Supreme Court sanction on 30th May 1972, the interests of Orange Free State Investment Trust Limited (OFSIT) were merged with those of West Rand Investment Trust Limited (WRIT).

As a consequence of the merger arrangements:

(a) The name of WRIT was changed to Anglo American Gold Investment Company Limited (AMGOLD) with effect from 12th June 1972;

(b) AMGOLD increased its authorised capital from R17 200 000 to R28 200 000 and, on 12th June 1972, acquired the entire issued share capital of OFSIT by issuing to the shareholders of OFSIT one ordinary share in AMGOLD, credited as fully paid up, for every issued share held in OFSIT.

Year ended 31st December 1972.

Issued capital: 21 952 012 ordinary shares of R1 each.

(Note: On 22nd November 1972 the company redeemed its 6 000 000 7½ per cent redeemable cumulative preference shares of R1 each)

	1972	1971
combined results of WRIT and OFSIT		
Share capital and reserves (consolidated): R108 338 000	R113 858 000	
Consolidated market value of quoted investments	R425 231 000	R243 943 000
Consolidated book value of quoted investments	R103 108 000	R101 833 000
Consolidated book value of unquoted investments	R347 000	R297 000
Consolidated net profit	R27 082 000	R19 701 000
Earnings per ordinary share	121.5c	87.7c
Dividends per ordinary share:		
Amount paid	R19 757 000	R14 258 000
Per share	90c	65c

The combined shareholdings of Anglo American Gold Investment Company Limited and its subsidiary company at 31st December 1972 were:

Gold producing	Shares held	% of issued share capital
Blyvoortuizicht Gold Mining Company Limited	1 700 000	7.08
Buffelsfontein Gold Mining Company Limited	2 116 200	19.24
Doornfontein Gold Mining Company Limited	650 000	6.61
East Driefontein Gold Mining Company Limited	5 990 190	11.00
Elsburg Gold Mining Company Limited	1 376 100	4.37
Free State Geduld Mines Limited	2 100 000	21.00
Harmony Gold Mining Company Limited	1 800 000	10.00
Hartebeestfontein Gold Mining Company Limited	1 737 700	19.31
Kinross Mines Limited	68 000	0.38
Kloof Gold Mining Company Limited (ordinary)	2 539 867	8.40
Libanon Gold Mining Company Limited	100 000	1.26
Lorraine Gold Mines Limited	2 400 000	14.94
President Brand Gold Mining Company Limited	2 808 000	20.00
President Steyn Gold Mining Company Limited	3 000 000	21.43
St. Helena Gold Mines Limited	1 925 000	20.00
Stilfontein Gold Mining Company Limited	10 000	0.08
Vaal Reefs Exploration and Mining Company Limited	3 060 000	16.10
Venterspost Gold Mining Company Limited	50 000	1.02
Welkom Gold Mining Company Limited	2 435 850	19.88
West Driefontein Gold Mining Company Limited	2 000 134	14.20
Western Areas Gold Mining Company Limited	1 050 000	5.08
Western Deep Levels Limited	3 200 000	12.80
Western Holdings Limited	1 571 580	20.96
Zandpan Gold Mining Company Limited	1 695 900	13.02
Financial		
Anglo American Industrial Corporation Limited	39 169	0.19

group holds a participation in the nickel mines at Bindura and Madziwa and, in addition, has interests in many other Rhodesian and South African companies, both quoted and unquoted.

Rand Selection Corporation Limited

A financial and investment company with shareholdings in financial, gold, diamond, copper and other base metals, coal, platinum, industrial and land and estate companies.

Year ended 30th September 1972.

Issued capital: R17 021 359.50 in 34 042 719 ordinary shares of 50 cents each fully paid.

Total share capital and reserves (consolidated):

R193 195 000.

	1972	1971
Market value of quoted investments*	R656 119 000	R364 650 000
Book cost of quoted investments*	R180 808 000	R170 929 000
Book cost of unquoted investments*	R57 345 000	R47 832 000
Net asset value per share†	R19.56	R11.14
Consolidated profit before taxation and deferred taxation	R22 308 000	R21 634 000
Consolidated profit after taxation and deduction of minority interests	R394 000	R397 000
Earnings per share	63.8c	61.8c
Dividends:		
Amount paid	R15 318 000	R14 465 000
Per share	45c	42.5c

*The company's share in the interest in Charter Consolidated Limited held through Rhochar Holdings Limited, an unquoted company, has been included in quoted investments.

†Including quoted investments at market value less minority interests in subsidiary companies.

Loan capital at 30th September 1972:	
6½ per cent convertible loan 1986 (U.S.\$30 million)	R21 202 000
10 per cent unsecured registered debentures 1983/97	R30 000 000
Loans for investment abroad	R13 908 000
	R65 110 000

At 30th September 1972 the investments of the company and its subsidiaries were spread as follows:

	Market value at 30th September 1972	Per centage
Finance	R231 277 000	32.42
Diamonds	R106 482 000	14.92
Investment—gold mining	R107 717 000	15.10
Gold mines	R108 908 000	15.27
Platinum	R8 460 000	1.19
Companies principally interested in copper and other base metals	R28 196 000	3.95
Coal	R14 639 000	2.05
Industrial	R88 084 000	12.34
Land, estate and sundry	R19 701 000	2.76
	R713 464 000	100.00

*Unquoted investments at book cost with the exception of Rhochar Holdings Limited which has been included at the market value of the underlying Charter Consolidated shares held by that company.

On 1st March 1972, the company participated, to the extent of U.S.\$11 663 000, in a loan of U.S.\$50 million raised by Anglo American Corporation. The funds received were used to repay loan facilities of

U.S.\$3 154 000, and the balance of U.S.\$8 509 000 has been retained abroad, partly to repay the loan of Swiss francs 9 691 000 in December 1972 and partly to meet future commitments.

Rhodesian Nickel Corporation Limited

The company owns the entire share capitals of Trojan Nickel Mine Limited, Madziwa Mines Limited and Bindura Smelting and Refining Company Limited. The subsidiaries mine and refine nickel and copper in the Bindura/Shamva district in Rhodesia.

Year ended 31st March 1972.

Issued capital: \$12 000 000 in 24 000 000 ordinary shares of 50 cents each.

	1972	1971
Profit before taxation	\$1 021 000	\$3 568 000
Taxation	\$5 000	\$9 000
Profit after taxation	\$1 016 000	\$3 559 000
Dividends:		
Amount paid	—	\$1 920 000
Per share	—	8c

All amounts expressed in Rhodesian currency.

South African Townships Mining and Finance Corporation Limited

A finance, investment and property-holding company.

Year ended 30th September 1972.

Issued capital: R4 800 000 in shares of R1 each, 92.9 per cent held by Rand Selection Corporation at 30th September 1972.

Share capital and reserves (consolidated): R14 448 000.

	1972	1971
Market value of quoted investments	R43 998 000	R22 955 000
Book cost of quoted investments	R6 114 000	R5 977 000
Book cost of unquoted investments	R1 053 000	R878 000
Net asset value per share	R10.90	R6.49
Consolidated profit before taxation	R2 878 000	R3 099 000
Taxation	R371 000	R394 000
Consolidated profit after taxation and deduction of minority interests	R2 502 000	R2 699 000
Earnings per share	52.1c	56.2c

Dividends:

	Amount paid	Per unit of stock
Amount paid	R1 584 000	R3 025 000
Per share	33c	110c

At 30th September 1972 the investments of the company and its subsidiaries were spread as follows:

	Market value at 30th September 1972	Per centage
Diamonds	R6 853 680	15.21
Investment—gold mining	R26 934 333	59.79
Gold mines	R6 984 925	15.51
Base metals, platinum and coal	R991 271	2.20
Industrial finance	R964 059	2.14
Land and estate†	R2 323 051	5.15
	R45 051 319	100.00

*Unquoted investments at book cost.

†This excludes the group's direct holdings in property and township development.

The Vereenig Estates Limited

The company owns property, mineral and coal rights in the districts of Vereeniging, Transvaal, and Heilbron,

Orange Free State. Its income is derived from substantial investments in a number of coal mining companies, of which six are operating subsidiaries, from a controlling interest in Vereeniging Refractories Limited, and from real estate development.

Year ended 31st December 1972.

Issued capital: R5 500 000 in stock units of R2 each.

Capital and reserves (consolidated): R76 994 000.

	1972	1971
Fixed assets, property, etc.	R49 615 000	R48 335 000
Net premium on acquisition of subsidiaries	R2 117 000	R2 117 000
Market value of quoted investments	R3 641 000	R5 475 000
Book cost of quoted investments	R3 296 000	R4 569 000
Book cost of unquoted investments	R4 172 000	R3 984 000
Book cost of trade investments	R2 424 000	R2 395 000
Net asset value per unit of stock	R19.27	R17.90
Consolidated profit before taxation	R11 478 000	R10 724 000
Taxation	R3 626 000	R3 112 000
Profit on realisation of investments*	R1 902 000	R586 000
Consolidated profit after taxation and deduction of minority shareholders' interests	R4 932 000	R4 891 000
Earnings per unit of stock	179c	178c
Dividends:		
Amount paid	R3 025 000	R3 025 000
Per unit of stock	110c	110c

*Not included in profits after tax; transferred to capital reserve.

The principal investments of the company at 31st December 1972 were as follows:

Coal

†Amalgamated Collieries of South Africa Limited (and its subsidiary Springfield Collieries Limited)
Arnot Colliery (Proprietary) Limited
†Blesbok Colliery Limited
Morupule Colliery (Proprietary) Limited
South African Coal Estates (Witbank) Limited
†Springbok Colliery Limited
†The Coronation Collieries Limited
(and its subsidiary Vryheid Coronation Limited)

Industrial

†Vereeniging Refractories Limited

Finance

Anglo American Industrial Corporation Limited

†V.E. Exploration and Finance Company Limited

†Subsidiary companies.

Zambia Copper Investments Limited

The company was formed in Bermuda in November 1969. In 1970 the company acquired 49 per cent of the equity of Nchanga Consolidated Copper Mines Limited, 12.25 per cent of the equity of Roan Consolidated Mines Limited, and holds 178 698 992 units of Zambia Industrial and Mining Corporation Limited (Zimco) 6 per cent loan stock 1982 and 27 603 200 units of Zimco 6 per cent bonds 1978. The company has an indirect interest via Kalahari Investments Limited of approximately 12 per cent in Botswana R.S.T. Limited, as well as interests in a number of prospecting companies.

Year ended 30th June 1972.

Issued capital: BD\$29 414 367.84 in 12 559 866 ordinary shares of 24 Bermudian cents each.
Total share capital and reserves: £112 060 000.

Investments:	1972	1971
(a) Unquoted, at cost	£72 676 000	£74 869 000
(b) Quoted:		
At cost	£13 122 000	£13 828 000
Market value	£8 606 000	£11 269 000
(c) Zimco loan stock 1982:		
Unquoted, at book value	£63 476 000	£70 068 000
(d) Zimco bonds 1978:		
Quoted, at book value	£8 972 000	£10 665 000
Profit before taxation	£11 954 000	£14 011 000
Provision for income tax	£43 000	£32 000
Profit after taxation and adjustments arising from changes in currency exchange rates	£11 741 000	£13 979 000
Unappropriated profit brought forward	£441 000	£5 476 000
Dividends:		
Amount paid	£11 030 000	£18 414 000
Per share	9p	15.417p

Zambian Anglo American Limited

The company was re-incorporated in Bermuda in June 1970 following the acquisition by the Zambian Government of a 51 per cent interest in the copper-mining undertakings in Zambia of the Anglo American Corporation and Roan Selection Trust groups.

At 30th June 1972 the company held the following major investments:

Company	Percentage interest
(i) Zambia Copper Investments Limited—ordinary shares	49.98
(ii) Zamanglo Holdings Limited	100.00
(iii) Zamanglo Industrial Corporation Limited (which holds the company's industrial and agricultural investments in Zambia)	100.00
(iv) Anglo American Corporation Rhodesia Limited (which holds a widely diversified portfolio of Rhodesian-based investments)	47.26
(v) Zamanglo Australia Proprietary Limited	100.00
(vi) An indirect interest in H.D. Development Limited	6.63

Through Zamanglo Holdings Limited, the company holds the following ZCI loan stocks:

- (i) 84 162 369 units of six per cent loan stock 1982.
- (ii) 18 526 477 units of six per cent loan stock 1978.

Year ended 30th June 1972.

Issued capital: BD\$44 336 458.60 in 31 668 899 shares of BD\$1.40 each.

Total share capital and reserves (consolidated):

£53 303 000.

Loan capital: Six per cent registered loan stock £1 888 000.

Investments	1972	June 1971	Period to 30th
Quoted:			
ZCI—ordinary shares:			
Book value	£16 566 000	£16 566 000	
Market value	£27 258 000	£25 420 000	
ZCI—loan stocks 1982 and 1978:			
Book value	£9 114 000	£10 120 000	
Market value	£19 436 000	£22 070 000	
Other investments:			
Book cost	£172 000	£220 000	
Market value	£69 000	£115 000	
Unquoted, at cost	£20 048 000	£12 748 000	
Loans, less amounts written off	£3 206 000	£4 156 000	

Investments in subsidiary companies not consolidated, at cost—	Period to 30th June 1971	
	1972	June 1971
Shares	£74 000	£76 000
Loans	£225 000	£105 000
	£299 000	£181 000
Consolidated profit before taxation	£7 700 000	£14 068 000
Provision for foreign taxation	£36 000	£134 000
Consolidated profit after taxation	£7 664 000	£13 934 000
Dividends:		
Amount paid	£7 126 000	£12 667 000
Per share	22.5p	40p

Administered outside the Anglo American Corporation Group

Charter Consolidated Limited

Charter is a London-based international mining, finance and investment company. Its main investments are in mining and allied activities, including the mining of gold and uranium, copper, diamonds, iron-ore, platinum, tin, vanadium, wolfram, coal and potash, and the production of oil and natural gas.

Based on the stock exchange value of quoted investments and the directors' valuation of unquoted investments, Charter had investments to a total value of £272 637 000 at 31st March 1972 (1971: £266 785 000). The following is an approximate geographical analysis of those investments which takes into consideration direct interests and where possible major indirect interests in the areas concerned:

	£000	%
United Kingdom	39 332	14.43
Continental Europe	7 190	2.64
North America	52 168	19.14
South Africa	99 286	36.42
Zambia	18 493	6.78
Rest of Africa	8 491	3.11
Malaysia	4 536	1.66
Australia	43 141	15.82
	272 637	100.00

South Africa provided 40 per cent of Charter's investment income, followed by Zambia with 22 per cent and the United Kingdom with 11 per cent.

The establishment of a major potash mine in Yorkshire, England, by Cleveland Potash Limited, a company jointly owned by Charter and associates and by Imperial Chemical Industries Limited, continued satisfactorily and is scheduled to begin production in the second half of 1973.

Charter holds 60.5 per cent of the equity in The Cape Asbestos Company Limited, the principal business of which consists of the manufacture of building, insulation and friction materials, and light engineering products, in the United Kingdom, South Africa and Continental Europe, and the mining of asbestos fibre in South Africa.

During the year Charter entered into a joint venture with a consortium of Canadian and U.K. companies to participate in oil exploration in the United Kingdom sector of the North Sea: the consortium has been awarded two exploration blocks.

Charter's investments, on the Continent of Europe, include a 45.7 per cent interest in Beralt Tin and Wolfram Limited, a company which mines tin and wolfram in Portugal.

In North America, Charter has a 24.7 per cent interest in Anglo American Corporation of Canada Limited, a mining finance company which has a 28.0 per cent interest in Hudson Bay Mining and Smelting Co. Limited, a company engaged in copper, zinc and potash production with interests in oil and gas and die casting. Charter and the Anglo American Corporation Group hold 30.6 per cent of the common stock of Engelhard Minerals and Chemicals Corporation and 19.7 per cent of the preferred stock. Charter also holds 38.2 per cent of Western Decalta Petroleum Limited which is engaged in the exploration for, and production of, crude oil and natural gas.

South African investments include a 10 per cent holding in Anglo American Corporation of South Africa Limited and a 10 per cent holding in Union Corporation Limited. Since 31st March 1972, Charter has sold its 20 per cent interest in Transvaal Consolidated Land and Exploration Company Limited and its 3.9 per cent interest in Barlow Rand Limited and has acquired a 10 per cent holding in Anglo American Investment Trust Limited, the diamond investment holding company of the Anglo American Corporation Group which has important interests in De Beers Consolidated Mines and the diamond marketing companies.

Charter has since 31st March 1972 exchanged its Brakspur Platinum holding (19.3 per cent) and certain other platinum interests for a 10 per cent interest in Union Platinum, which in turn holds about 37 per cent in the enlarged capital of Rustenburg Platinum Mines.

In Zaire, Charter and associated companies have an interest of approximately 28 per cent in two consortium companies exploring for copper and other minerals in the Shaba Province. Confirmatory drilling and feasibility studies of important known copper occurrences in the Tenke-Fungurume area have indicated extensive reserves of high-grade copper and cobalt ore. The mineralisation extends over a considerable area and exploration is continuing. Feasibility studies of the economic and technical factors involved in producing copper and cobalt from these deposits are being undertaken.

Charter has interests in Tronoh Mines Limited (25.1 per cent) and in its associated companies Ayer Hitam Tin Dredging Limited and The Sungai Besi Mines Limited, which operate tin mining areas in Malaysia. Tronoh Mines, in association with other international companies, are also engaged in prospecting operations in offshore areas of Thailand.

Charter acquired a 25 per cent interest in Australian Anglo American Limited, a company well placed to take advantage of business opportunities in the Australian mining industry.

Through its 25 per cent participation in Anglo American Corporation Botswana Limited, Charter has a 4.5 per cent interest in Botswana RST—the company developing the Selebi-Pikwe nickel/copper project—and interests in extensive coal deposits in Botswana.

Year ended 31st March 1972.

Issued capital: £26 198 698.50 in 104 781 734 fully-paid shares of 25p each and 326 500 shares of 25p each, 1p paid up.*

Share capital and reserves (consolidated): £172 363 000.

	1972	1971
Market value of quoted investments	£215 093 000	£212 325 000
Book cost of quoted investments	£99 763 000	£96 313 000
Book cost of unquoted investments	£50 650 000	£47 246 000
Directors' valuation of unquoted investments	£57 544 000	£54 460 000

Drilling and field engineering studies on the Stikine Copper property in British Columbia will be resumed by Hudson Bay Mining and Smelting this summer. The base camp, centre left, is unoccupied in winter; behind it are the Rocky Mountains

Coast



	1972	1971
Fixed assets (less depreciation)	£22 000 000	£21 556 000
Net asset value per share	281p	277p
Profit after taxation, deduction of minority shareholders' interests, and pre-acquisition profits of subsidiaries	£13 936 000	£16 368 000
Earnings per ordinary share	13.30p	+15.84p
Dividends (gross):		
Amount paid	£8 383 000	£8 381 000
Per share	8p	8p

All amounts are expressed in United Kingdom currency.

*In September 1972 the company issued 6 528 fully-paid shares of 25p each against conversion of £26 109 5 per cent convertible unsecured loan stock 1984. The company's issued capital was thereby increased to £26 200 330,50 in 104 788 262 fully-paid shares of 25p each and 326 500 partly-paid shares of 25p each (1p paid up). The amount of loan stock outstanding is now £2 376 233.

†Earnings recalculated on revised figures resulting from new accounting policies.

De Beers Industrial Corporation Limited

An industrial finance and investment company whose main asset is a direct and indirect interest of approximately 42.5 per cent in the issued ordinary share capital of AE & CI Limited.

Year ended 31st December 1972.

Issued capital: R24 000 000 in 1 000 000 5½ per cent cumulative preference shares of R2 each and 11 000 000 ordinary shares of R2 each.

Share capital and reserves: R46 704 000.

	1972	1971
Market value of quoted investments	R49 991 000	R41 627 000
Book cost of quoted investments	R14 921 000	R14 921 000
Book cost of unquoted investments	R30 270 000	R29 696 000
Net asset value per share*	R11.76	R10.22
Profit before taxation	R6 496 000	R6 028 000
Taxation	R74 000	R21 000
Profit after taxation and preference dividend	R6 312 000	R5 897 000

	1972	1971
Earnings per ordinary share	57.4c	53.6c

Dividends:

Ordinary:	1972	1971
Amount paid	R4 950 000	R4 730 000
Per share	45c	43c

*Includes the market value of the shares in AE & CI held by Afex Holdings (Proprietary) Limited.

The company's principal interests at 31st December 1972 were in the following companies:

	No. of shares	Per- centage
Afex Holdings (Proprietary) Limited	500 000	50.00
AE & CI Limited	10 050 000	12.52
Anglo American Industrial Corporation Limited	1 476 562	7.22
Hall, Longmore and Company Limited	37	1.54
Highveld Steel and Vanadium Corporation Limited	3 478 400	6.18

	No. of shares	Per-share percentage
International Pipe and Steel Investments		
South Africa (Proprietary) Limited	329 862	0.47
Kimberley Engineering Works Limited	400 000	50.00
Mainstraat Beleggings (1965) (Eiendoms) Beperk	136 875	7.50
Middelburg Steel and Alloys (Proprietary) Limited	483 850	2.64
Northern Lime Company Limited	100 000	5.37
South African Nylon Spinners (Proprietary) Limited	5 467 962	37.50
Stewarts and Lloyds of South Africa Limited	110 271	0.49
Vierfontein Colliery Limited	838 506	20.96

Engelhard Minerals & Chemicals Corporation

The operations of Engelhard Minerals & Chemicals Corporation embrace the marketing of ores, minerals and metals, the mining and processing of non-metallic minerals, and the refining, processing and fabricating of precious metals.

Year ended 31st December 1972.

	*1972	1971
Earnings before taxes and extraordinary charges	\$49 454 000	\$34 237 000
Taxation	\$12 833 000	\$3 029 000
Earnings before extraordinary charges	\$36 622 000	\$31 208 000
Extraordinary charges, net of taxes on income	—	\$3 139 000
Net earnings—amount	\$36 622 000	\$28 069 000
Net earnings per common share:		
— primary†	\$1.28	97c
— fully diluted‡	\$1.19	\$1.02
Dividends per share	40c	40c

*Amounts for 1972 are subject to year-end audit.

†Based on average number of common shares outstanding, applied to net earnings after allowing for dividends on preferred stock.

‡Based on pro-forma number of common shares outstanding, assuming full conversion of \$4.25 cumulative convertible preferred stock and exercise of dilutive stock options.

All amounts are expressed in United States dollars.

Gold Fields of South Africa Limited

A financial and exploration company with substantial holdings in gold and gold-uranium mining companies, base mineral, industrial and property companies.

Year ended 30th June 1972.

Issued capital: R4 052 869.25 in 16 211 477 ordinary shares of 25 cents each.

Share capital and reserves (consolidated): R114 396 000.

	1972	1971
Market value of quoted investments	R296 761 000	R160 612 000
Book cost of quoted investments	R79 823 000	R50 537 000
Book cost of unquoted investments	R6 051 000	R884 000
Net asset value per share	R20.64	R14.83
Consolidated profit before taxation	R12 525 000	R6 084 000
Taxation	R1 020 000	—
Consolidated profit after taxation	R11 505 000	R6 084 000

Earnings per share	1972	1971
Dividends:		
Amount paid	R7 701 000	R4 823 000
Per share	47.5c	45c

At 30th June 1972 the company's principal investments were as follows:

Quoted investments:	*Percentage equity interest
Blyvoortuizicht Gold Mining Company Limited	11.9
Doornfontein Gold Mining Company Limited	18.6
East Driefontein Gold Mining Company Limited	
—ordinary	33.1
—combined units	5.3
Gold Fields Property Company Limited	46.4
Kloof Gold Mining Company Limited	
—ordinary	21.6
—combined units	53.1
Libanon Gold Mining Company Limited	27.0
New Wits Gold Exploration Company Limited	49.1
Vogelstruisbult Metal Holdings Limited	43.2
West Driefontein Gold Mining Company Limited	
—ordinary	20.0
—combined units	5.4
Western Deep Levels Limited	5.4
Unquoted investments:	
Glenover Phosphate Limited	50
Gold Fields Cementation Mining Company Limited	50
Kilm Products Limited	11
The National Trust of Africa Limited	50
The South African Rubber Manufacturing Company Limited	17
Western Ultra Deep Levels Limited	10
Zinc Corporation of S.A. Limited	13

*Parent and subsidiaries.

on the merger, the company made a public issue of shares in August 1972 and is now listed on The Johannesburg Stock Exchange.

In order to provide a comprehensive service in the field of management consulting the group's management consulting operations carried on through UAL Management Services Limited will, subject to certain formalities, be merged with Urwick International (Proprietary) Limited, the local subsidiary of Urwick Orr & Partners Limited, a leading international consulting firm based in the United Kingdom.

The authorised share capital of UAL Holdings Limited was increased from R7 000 000, in shares of R1 each, to R7 500 000, by the creation of an additional 500 000 shares of R1 each on 7th July 1972. The share capital, as increased, was sub-divided into 15 000 000 shares of 50 cents each on that date.

Year ended 31st December 1972.

Issued capital: R7 200 000 in 14 400 000 shares of 50 cents each.

Share capital and disclosed reserves (consolidated): R23 666 694.

	1972	1971
Total assets	R245 610 660	R170 160 593
Group profit before taxation	R7 057 703	R3 851 406
Taxation	R2 771 768	R1 228 096
Net profit after taxation	*R4 097 184	R2 623 310
Earnings per share	28.45c	†21.2c

Dividends:

Amount paid	R1 338 510	R743 280
Per share	9.5c	6c

*After deduction of pre-acquisition profits of National Board of Executors Limited and minority shareholders' interests.

†Recalculated in terms of sub-division to shares of a nominal value of 50 cents each.

Hollandstraat-ses Beleggings (Eiendoms) Beperk

The company, a subsidiary of Federale Mynbou Beperk, was formed in 1963 by Anglo American Corporation of South Africa Limited and Federale Mynbou Beperk, and has a substantial shareholding in General Mining and Finance Corporation Limited.

UAL Holdings Limited

The company is an investment holding company whose subsidiary companies are engaged in merchant banking and other financial activities. Union Acceptances Limited, a wholly-owned subsidiary, remains the corner-stone of the group. This bank offers a complete range of merchant banking services and, in addition, acts as managers to First Union General Investment Trust Limited (FUGIT), a closed-end investment trust company which held investments with a market value in excess of R75 million at 31st December 1972. FUGIT shares are quoted on The Johannesburg Stock Exchange and The Stock Exchange London. Another investment trust managed by the bank and which is listed on The Johannesburg Stock Exchange, is Priority Investment Trust Limited (PIT). The bank also manages the investments of the UAL Mutual Fund, the R33 million open-end trust whose unit asset value rose by 34 per cent from 128 cents at 31st December 1971 to 172 cents at 31st December 1972.

In June 1972 the company merged with the National Board of Executors Limited (NBE) when the shareholders of NBE agreed to accept a cash offer of 100 cents a share for the 2 594 700 shares of 50 cents each in NBE not already held by the company. Following

Orange Free State interests

Anglo American Corporation of South Africa Limited has direct shareholdings and, principally through Anglo American Gold Investment Company Limited, indirect interests in companies in the Orange Free State goldfield. Operating statistics and brief notes on most of these companies are given below under two headings: administered by Anglo American Corporation; and administered by other mining finance houses.

Administered by Anglo American Corporation

Freddies Consolidated Mines Limited

Year ended 30th September 1972.
Issued capital: R2 000 in shares of R2 each, held in equal proportions by Free State Geduld Mines Limited and Western Holdings Limited.

	1972	1971
Tons milled—metric:		
Mine production	706 500	704 500
Milled ore from Free State Geduld	150 500	145 951
Milled ore from Western Holdings	203 500	207 857
Yield—grams/ton	14.03	14.38
Cost per ton milled	R9.54	R8.36
Working profit	R7 365 000	R4 649 000
Dividends:		
Amount paid	R7 000 000	R5 000 000
Per share	R7 000	R5 000

The assessed loss for taxation purposes at 30th September 1972 was estimated at R752 000 (1971: R8 594 000).

Free State Geduld Mines Limited

Year ended 30th September 1972.
Issued capital: R5 000 000 in shares of 50 cents each.

	1972	1971
Tons milled—metric*	1 996 000	1 998 000
Yield—grams/ton	25.41	27.11
Cost per ton milled	R8.99	R8.39
Working profit	R40 730 000	R31 384 000
Taxation and State's share of profit	R26 976 000	R20 119 000
Dividends:		
Amount paid	R17 000 000	R13 000 000
Per share	170c	130c
Ore reserves:		
Tons	5 600 000	5 324 000
Value—cm.g	3 436	3 691

*Excludes 150 500 (1971: 145 951) tons of milled ore delivered to Freddies Consolidated Mines Limited, in which the company has a 50 per cent interest.

Free State Saaiplaas Gold Mining Company Limited

Wholly-owned subsidiary of President Brand Gold Mining Company Limited.
Year ended 30th September 1972.
Issued capital: R12 491 870 in shares of R1 each.

	1972	1971
Tons milled—metric:		
Mine production	1 162 000	1 074 000
Milled ore from President Brand	543 600	543 600
Yield—grams/ton	10.51	11.25
Cost per ton milled	R8.49	R7.90
Working profit	R8 431 000	R4 521 000
Taxation and State's share of profit	R4 499 000	R1 807 000

	1972	1971		1972	1971
Yield—grams/ton	11.14	12.29	Dividends:	R3 920 000	R2 266 000
Cost per ton milled	R7.51	R7.18	Amount paid	32c	18.5c
Working profit—gold	R9 361 000	R6 045 000	Per share		
Taxation	R5 259 000	R1 035 000	Ore reserves:		
Uranium profit	R93 000	R38 000	Tons	4 160 000	4 233 000
Dividends:			Value—cm.g	1 552	1 582
Amount paid	R4 060 000	R5 621 000			
Per share	32.5c	45c			

Uranium-bearing slimes are continuing to be stockpiled.

Jeannette Gold Mines Limited

The mine was placed on a care-and-maintenance basis in January 1956.

President Brand Gold Mining Company Limited

Year ended 30th September 1972.

Issued capital: R7 020 000 in stock units of 50 cents each.

	1972	1971
Tons milled—metric*	2 308 000	2 304 000
Yield—grams/ton	18.95	20.13
Cost per ton milled	R8.87	R8.03
Working profit	R30 602 000	R22 598 000
Taxation and State's share of profit	R16 075 000	R8 085 000
Dividends:		
Amount paid	R15 093 000	R14 742 000
Per stock unit	107.5c	105c
Ore reserves:		
Tons	6 850 000	6 576 000
Value—cm.g	2 828	3 035

*Excludes 543 600 (1971: 543 600) tons of milled ore delivered to Free State Saaiplaas Gold Mining Company Limited, a wholly-owned subsidiary of the company.

The uranium plant remains on a care-and-maintenance basis and uranium-bearing slimes are continuing to be stockpiled.

President Steyn Gold Mining Company Limited

Year ended 30th September 1972.

Issued capital: R7 000 000 in shares of 50 cents each.

	1972	1971
Tons milled—metric	2 574 000	2 568 000
Yield—grams/ton	12.49	12.32
Cost per ton milled	R8.49	R7.94
Working profit	R15 596 000	R7 679 000
Taxation and State's share of profit	R5 319 000	R3 226 000
Dividends:		
Amount paid	R3 780 000	R2 100 000
Per share	27c	15c
Ore reserves:		
Tons	6 215 000	6 260 000
Value—cm.g	1 637	1 647

Welkom Gold Mining Company Limited

Year ended 30th September 1972.

Issued capital: R6 125 000 in shares of 50 cents each.

	1972	1971
Tons milled—metric	2 210 000	2 174 000
Yield—grams/ton	10.51	11.25
Cost per ton milled	R8.49	R7.90
Working profit	R8 431 000	R4 521 000
Taxation and State's share of profit	R4 499 000	R1 807 000

Western Holdings Limited

Year ended 30th September 1972.

Issued capital: R3 748 188 in shares of 50 cents each.

	1972	1971
Tons milled—metric*	2 837 000	2 810 000
Yield—grams/ton	19.50	20.13
Cost per ton milled	R8.04	R7.38
Working profit	R41 523 000	R29 350 000
Taxation and State's share of profit	R27 470 000	R19 440 000
Dividends:		
Amount paid	R17 617 000	R12 744 000
Per share	235c	170c
Ore reserves:		
Tons	7 190 000	6 937 500
Value—cm.g	2 726	2 783

*Excludes 203 500 (1971: 207 857) tons of milled ore delivered to Freddies Consolidated Mines Limited in which the company has a 50 per cent interest.

Anglo American (O.F.S.) Housing Company Limited

The company provides housing in the Orange Free State for employees of associated companies. At 31st December 1972 the cost of stands, houses, flats and hostels owned by the company amounted to R28 179 450.

Inter-Mine Services O.F.S. (Proprietary) Limited

The company supplies stores and materials to certain Anglo American Corporation Group gold mining companies in the Orange Free State and the Transvaal. Such operations are financed by the companies concerned.

Administered by other mining finance houses

Harmony Gold Mining Company Limited

Year ended 30th June 1972.

Issued capital: R9 000 000 in shares of 50 cents each.

	1972	1971
Tons milled—metric	3 487 000	3 305 000
Yield—grams/ton	9.63	10.22
Working costs—per ton milled		R7.84
Working profit—gold	R7 918 000	R3 705 000
Working profit—uranium, pyrite and acid	R960 000	R1 293 000
Taxation and lease consideration	R3 621 000	R1 235 000
Dividends:		
Amount paid	R3 240 000	R2 880 000
Per share	18c	16c

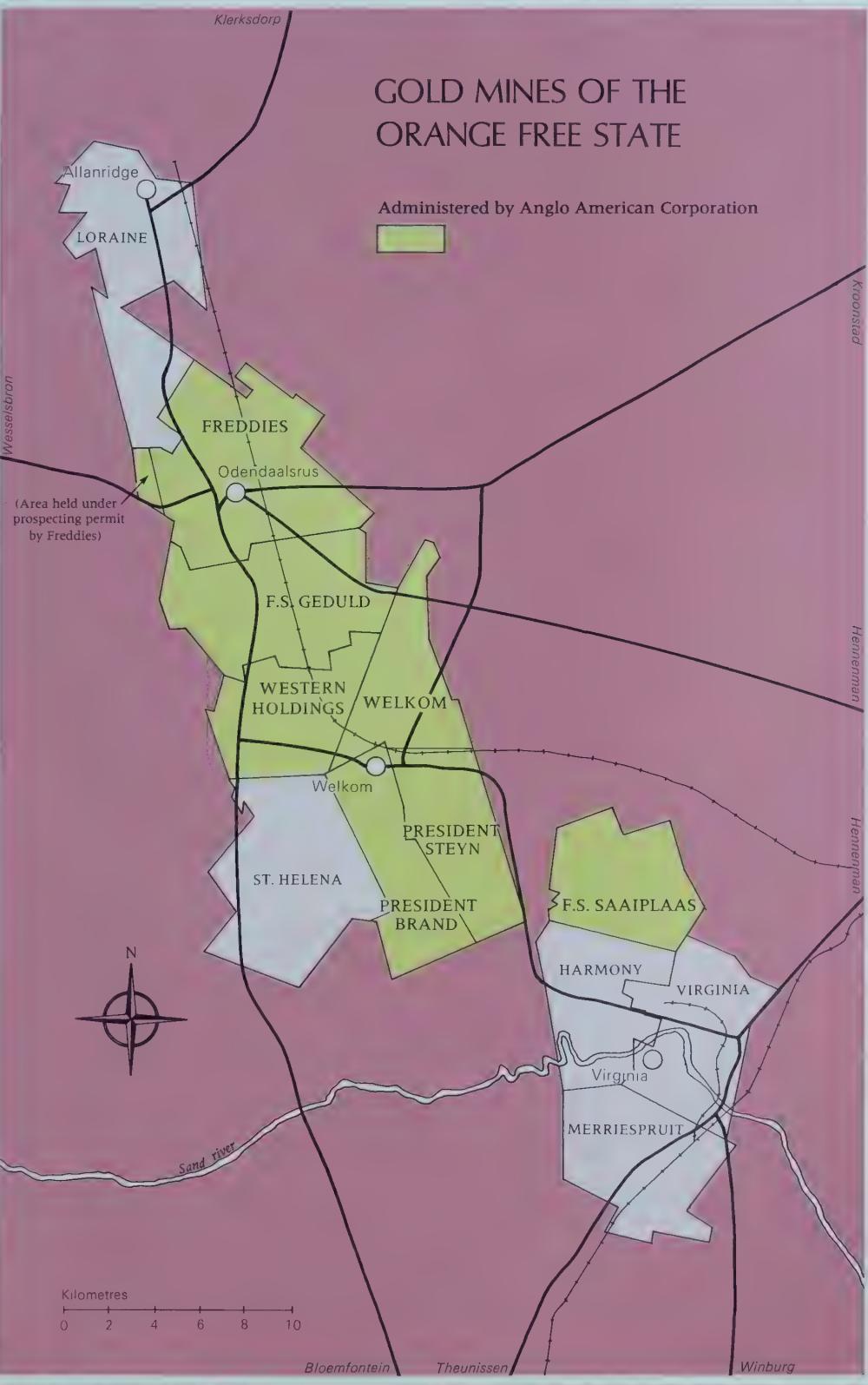
	1972	1971
Ore reserves*:		
Tons	9 271 000	6 336 000
Gold value—cm.g†	1 989	2 076
Uranium value—cm.kg†	36.96	36.61

*Includes ore reserves in the Harmony/Merriespruit scheme.

†Excludes Harmony/Merriespruit scheme.

GOLD MINES OF THE ORANGE FREE STATE

Administered by Anglo American Corporation



Lorraine Gold Mines Limited

Year ended 30th September 1972.

Issued capital: R16 066 986 in shares of R1 each.

	1972	1971
Tons milled—metric	1 194 000	1 352 000
Yield—grams/ton	9.86	10.46
Cost per ton milled	R10.81	R8.93
Working profit—gold	R1 166 000	R966 000
Taxation and lease payments	Nil	Nil
Ore reserves:		
Tons	*2 885 000	4 848 000
Value—gm/t	14.60	14.44

*Excludes a block of Elshburg Reef estimated to contain some 650 000 tons at an average value of about 11.5 gm/t over a width of approximately 25 metres.

St. Helena Gold Mines Limited

Year ended 31st December 1972.

Issued capital: R9 625 000 in shares of R1 each.

	1972	1971
Tons milled—metric	2 184 000	2 234 000
Yield—grams/ton	14.74	15.77
Cost per ton milled	R6.73	R6.15
Working profit	R25 839 000	R18 787 000
Taxation and lease payments	R15 406 000	R10 679 000
Dividends:		
Amount paid	R8 662 000	R6 641 000
Per share	90c	69c
Payable ore reserves:		
Tons	8 000 000	8 900 000
Value—gm/t	18.5	18.1

Far West Rand and Klerksdorp interests

Anglo American Corporation of South Africa Limited has direct shareholdings and, principally through Anglo American Gold Investment Company Limited, indirect interests in companies in the Far West Rand and Klerksdorp areas. Operating statistics and brief notes on most of these companies are given below under two headings: administered by Anglo American Corporation; and administered by other mining finance houses.

Administered by Anglo American Corporation

Southvaal Holdings Limited

Year ended 31st December 1972.
Issued capital: R13 000 000 in 26 000 000 shares of 50 cents each.
During the year the issued capital was increased to R13 000 000 as a result of the exercise of options held by the company to subscribe for shares at par before 31st December 1972.
The company is obliged to lend a maximum of 10 000 000 to Vaal Reefs Exploration and Mining Company Limited to finance mining operations in the area south of the Vaal River over which that company holds a mining lease. In return it has the right to receive from Vaal Reefs a royalty of 60 per cent of the profits before tax derived from mining in such area, after providing for capital expenditure which the Vaal Reefs company may decide to finance from profits, and also for capital and interest payments in respect of the loan from Southvaal Holdings.

Vaal Reefs Exploration and Mining Company Limited

Year ended 31st December 1972.
Issued capital: R9 500 000 in shares of 50 cents each.
1972 1971
Tons milled—metric 5 274 000 3 023 000
Yield—grams/ton 12.52 13.71
Cost per ton milled R9.63 R8.86
Working profit:
Gold R32 185 000 R12 732 000
Uranium R3 952 000 R2 094 000
Sulphuric acid R63 000 R15 000
Taxation Nil Nil
Dividends:
Amount paid R10 450 000 R7 375 000
Per share 55c 50c*
Ore reserves:
Tons 9 931 000 9 501 000†
Gold value—cm.g 1 795 1 783
Uranium value—cm.kg 42.89 40.78
*25c interim dividend on 10 500 000 shares and 25c final dividend on 19 000 000 shares.
†1971 figures exclude South lease area.

Western Deep Levels Limited

Year ended 31st December 1972.
Issued capital: R50 000 000 in shares of R2 each.
1972 1971
Tons milled—metric 3 140 000 3 174 000
Yield—grams/ton 19.20 18.51
Cost per ton milled R9.80 R8.67
Working profit—gold R45 607 000 R27 543 000
—uranium R7 000 —
Taxation and State's share of profit R9 595 000 Nil

Dividends:	1972	1971
Amount paid	R20 000 000	R16 250 000
Per ordinary share	80c	65c
Ore reserves:		
Tons	4 972 000	5 139 000
Gold value—cm.g	2 591	2 559
Uranium value—cm.kg*	22.81	22.54

*Applicable to Carbon Leader Reef only.

Ore reserves:	1972	1971
Tons	1 946 000	2 041 000
Gold value—grams per ton	19.1	18.7

East Driefontein Gold Mining Company Limited

Year ended 31st December 1972.
Issued capital: R57 888 042 in 50 756 620 ordinary shares of R1 each and 3 753 380 combined units comprising 3 753 380 'A' shares of R1 each and R3 378 042 unsecured non-interest bearing loan stock.

The inflow of water from the Bank Compartment into the underground workings was brought under control during September 1971, and by March 1972, No. 4 shaft at the West Driefontein mine had been fully dewatered and rehabilitated. The average daily inflow of water had decreased to 138 megalitres in December 1972. As the company's reduction works were completed before ore from the lease area was available, an agreement had been reached with West Driefontein Gold Mining Company Limited whereby the company would tribute, on a royalty basis, the Ventersdorp Contact Reef in West Driefontein's No. 4 shaft area until March 1973. Trial milling at East Driefontein began in the first quarter of 1972, and full-scale milling in April 1972. The quantity of ore fully developed and available for stoping at the end of December 1972 on the Ventersdorp Contact Reef horizon amounted to 146 000 metric tons at a value of 34.6 grams per ton over a stoping width of 121 centimetres. This tonnage and value is, however, not fully representative of the ground being opened up in the company's lease area and substantial additional tonnage is expected to become available for stoping during the six months to June 1973 on both the Ventersdorp Contact Reef and Main Reef horizons.

During the first half of 1972, the company made a rights issue to raise approximately R20.6 million to finance, in addition to profits to be appropriated, the capital expenditure necessary to bring the mine to full production at a milling rate of 181 000 metric tons a month in 1976.

Buffelsfontein Gold Mining Company Limited

Year ended 30th June 1972.	1972	1971
Issued capital: R11 000 000 in shares of R1 each.		
Tons milled—metric	2 845 000	2 791 000
Yield—grams/ton	12.08	13.42
Working costs—per ton milled	R9.12	R8.66
Working profit—gold	R10 078 000	R7 961 000
Net profit—uranium and acid, after deduction of royalties paid	R5 138 000	R3 749 000
Taxation and lease payments	R3 744 000	R1 885 000
Dividends:		
Amount paid	R2 090 000	R3 713 000
Per share	19c	33.75c
Ore reserves:		
Tons	5 402 000	5 405 000
Gold value—cm.g	2 363	2 409
Uranium value—cm.kg	51.79	55.81

Doornfontein Gold Mining Company Limited

Year ended 30th June 1972.	1972	1971
Issued capital: R9 828 000 in shares of R1 each.		
Tons milled—metric	1 395 000	1 403 000
Yield—grams/ton	15.1	16.0
Working costs—per ton milled	R10.49	R9.92
Working profit—gold	R7 687 138	R5 407 199
Taxation and State's share of profit	R4 004 082	R2 152 534
Dividends:		
Amount paid	R2 555 280	R2 063 880
Per share	26c	21c

Hartebeestfontein Gold Mining Company Limited

Year ended 31st December 1972.	1972	1971
Issued capital: R31 500 000 in stock units of R1 each.		
Tons milled—metric	992 000	926 000
Yield—grams/ton	9.41	10.12
Cost per ton milled	R9.62	R8.01
Working profit	R2 627 000	R1 297 000

Year ended 31st December 1972.

Year ended 30th June 1972.	1972	1971
Issued capital: R9 000 000 in shares of R1 each.*		
Tons milled—metric	1 908 000	1 876 000
Yield—grams/ton	15.39	14.16
Working costs—per ton milled	R10.67	R9.66
Working profit—gold	R11 509 000	R5 374 000
Net profit—uranium	R4 230 000	R3 618 000
Taxation and lease payments	R7 313 000	R2 674 000
Dividends:		
Amount paid	R2 700 000	R720 000
Per share	30c	8c

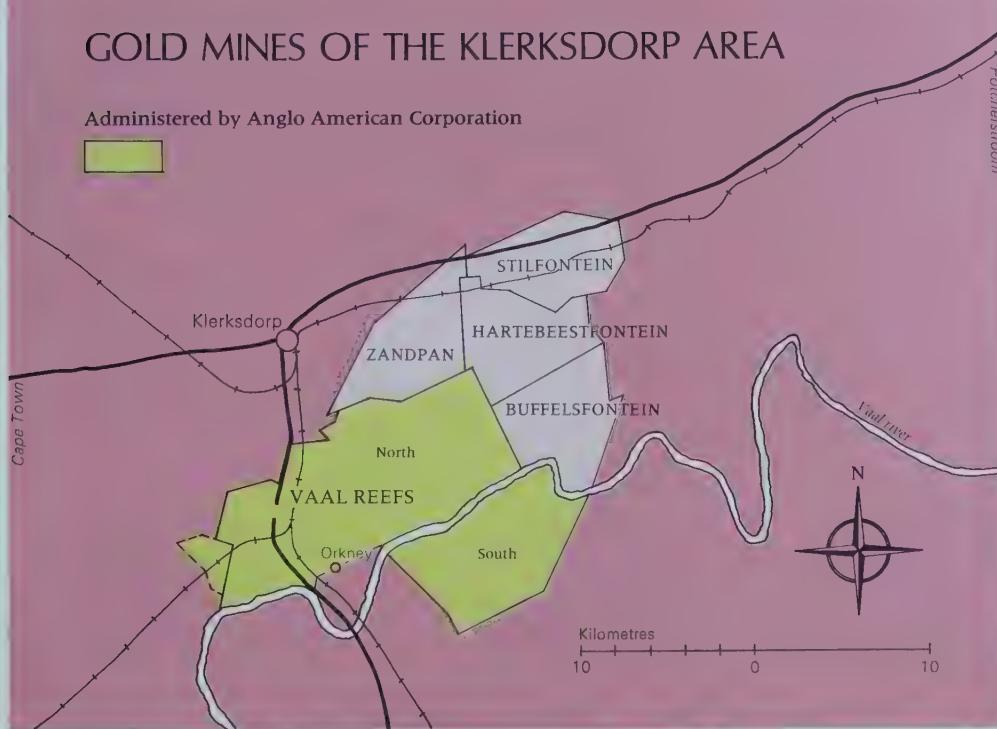
GOLD MINES OF THE FAR WEST RAND

Administered by Anglo American Corporation



GOLD MINES OF THE KLERKS DORP AREA

Administered by Anglo American Corporation



Ore reserves:	1972	1971
Tons	5 916 000	5 786 000
Value gold—grams/ton	17.81	15.84
Value uranium—kg/t	0.22	0.22

*In terms of the arrangement approved by shareholders of both companies, the company acquired the undertaking of Zandpan Gold Mining Company Limited on 1st July 1972. As part of the purchase consideration 2 200 000 new ordinary shares of R1 each were allotted to Zandpan on 1st July 1972 thereby increasing the issued capital of the company to R11 200 000 in shares of R1 each.

Kloof Gold Mining Company Limited

Year ended 30th June 1972.

Issued capital: R36 158 779 in 22 241 650 ordinary shares of R1 each, fully paid, and 7 998 350 combined units comprising 7 998 350 'A' shares of R1 each, fully paid, and R5 918 779 unsecured non-interest bearing loan stock.*

	1972	1971
Tons milled—metric	1 712 000	1 941 000
Yield—grams per ton	16.3	17.2
Working costs— per ton milled	R10.70	R8.76
Working profit	R11 257 257	R11 726 187
Taxation and State's share of profit	Nil	Nil
Dividend on ordinary shares:		
Amount paid	R2 891 415	R1 779 332
Per share	13c	8c
Ore reserves:		
Tons	2 246 000	2 757 000
Value—cm.g	3 322	3 010

*Each 'A' share, together with an amount of unsecured non-interest bearing loan stock, constitutes one combined unit. The non-interest bearing loan stock is redeemable.

West Driefontein Gold Mining Company Limited

Year ended 30th June 1972.

Issued capital: R14 082 160 in shares of R1 each.

	1972	1971
Tons milled—metric	2 616 000	2 855 000
Yield—grams per ton milled	31.1	31.1
Working costs— per ton milled	R12.17	R10.50
Working profit—gold	R54 320 142	R46 599 588
Taxation and State's share of profit	R35 449 549	R26 535 246
Dividends:		
Amount paid	R19 715 024	R15 208 733
Per share	140c	108c
Ore reserves:		
Tons:		
Carbon Leader Reef	3 271 000	3 733 000
Ventersdorp Contact Reef	1 711 000	1 780 000
Value—grams/ton:		
Carbon Leader Reef	35.7	35.1
Ventersdorp Contact Reef	27.8	28.4

Western Areas Gold Mining Company Limited

Year ended 31st December 1972.

Issued capital: R20 675 000 in stock units of R1 each.

	1972	1971
Tons milled—metric	2 306 000	2 425 000
Yield—grams/ton	8.34	9.10
Cost per ton milled	R7.75	R6.70
Working profit	R7 798 000	R4 901 000
Taxation and lease payments	Nil	Nil

Rand and Evander interests

	1972	1971
Dividends:		
Amount paid	R3 308 000	R1 447 000
Per share	16c	7c
Payable ore reserves:		
Tons	6 259 844	6 099 495
Value—cm.g	1 754	1 781

Zandpan Gold Mining Company Limited

Year ended 31st December 1972.

Issued capital: R13 020 000 in shares of R1 each.

	Six months ended 30th June 1972	Year ended 1971
Tons milled—metric	396 000	855 000
Yield—grams/ton	12,70	12,00
Cost per ton milled	R11,93	R10,75
Working profit—gold	R1 143 000	R494 000
Profit from sales of uranium oxide	R275 000	R75 000
Faxation and lease payments	Nil	Nil
Ore reserves:		
Tons	1 394 000	1 817 000
Gold value—gm/t	15,94	14,54
Uranium value—kg/t	0,43	0,40

On 1st July 1972, the whole of the company's undertaking and assets, and all its contractual rights and obligations including long-term loans aggregating R8 million were sold to Hartebeestfontein Gold Mining Company Limited, in exchange for 2,2 million new Hartebeestfontein shares of R1 each.

Anglo American Corporation of South Africa Limited has direct shareholdings and/or, through Rand Selection Corporation Limited, indirect interests in mining companies on the Rand and in the Evander area. Operating statistics and brief notes on most of these companies are given below under two headings: administered by Anglo American Corporation; and administered by other mining finance houses.

Administered by Anglo American Corporation

Daggafontein Mines Limited

Year ended 31st December 1972.

Issued capital: R3 500 000 in shares of 50 cents each. Clean-up operations ended at the end of 1968, and the last revenue from this source and from the sale of sulphuric acid was received early in 1969. Most of the company's realisable assets have been disposed of. The remaining assets are of little value.

East Daggafontein Mines Limited

Year ended 31st December 1972.

Issued capital: R3 730 000 in shares of R1 each.

	1972	1971
Tons milled—metric	1 549 000	1 607 000
Yield—grams/ton	5,57	5,74
Cost per ton milled	R4,49	R4,57
Working profit	R3 830 000	R1 310 000
Taxation and State's share of profit	R2 028 000	R398 000
Dividends:		
Amount paid	R1 679 000	R783 000
Per share	45c	21c
Ore reserves:		
Tons	—	684 800
Value—cm.g	—	994

The company's mine is classified as an assisted mine in terms of the Gold Mines Assistance Act No. 82 of 1968. It is expected that underground mining operations will terminate during 1973.

The South African Land & Exploration Company Limited

Year ended 31st December 1971.

Issued capital: R1 155 000 in shares of 35 cents each.

	1972	1971
Tons milled—metric	660 000	1 278 000
Yield—grams/ton	6,85	8,88
Cost per ton milled	R11,12	R6,12
Working loss (1971: profit)	R1 431 000	R2 771 000
State assistance	R1 365 000	—
Taxation and State's share of profit	R37 000	R1 242 000
Dividends:		
Amount paid	—	R1 980 000
Per share	—	60c
Ore reserves:		
Tons	899 000	1 385 000
Value—cm.g	1 416	1 246

The company's mine is classified as an assisted mine in terms of the Gold Mines Assistance Act No. 82 of 1968. The mine was flooded in January 1972 but is expected to be in full production again by the end of March 1973.

Administered by other mining finance houses

Bracken Mines Limited

Year ended 31st December 1972.

Issued capital: R14 000 000 in shares of R1 each.

	1972	1971
Tons milled—metric	1 014 000	997 000
Yield—grams/ton	12,17	13,71
Cost per ton milled	R6,89	R6,56
Working profit	R9 376 000	R6 308 000
Taxation	R4 573 000	R3 001 000
Dividends:		
Amount paid	R3 500 000	R2 310 000
Per share	25c	16,5c
Payable ore reserves:		
Tons	1 300 000	1 600 000
Value—cm.g	1 583	1 768

Leslie Gold Mines Limited

Year ended 31st December 1972.

Issued capital: R1 600 000 in shares of R1 each.

	1972	1971
Tons milled—metric	1 514 000	1 528 000
Yield—grams/ton	7,36	8,00
Cost per ton milled	R5,81	R5,59
Working profit	R5 591 000	R3 022 000
Taxation	R2 650 000	R1 182 000
Dividends:		
Amount paid	R2 240 000	R1 600 000
Per share	14c	10c
Payable ore reserves:		
Tons	1 200 000	1 750 000
Value—cm.g	1 136	1 154

Winkelhaak Mines Limited

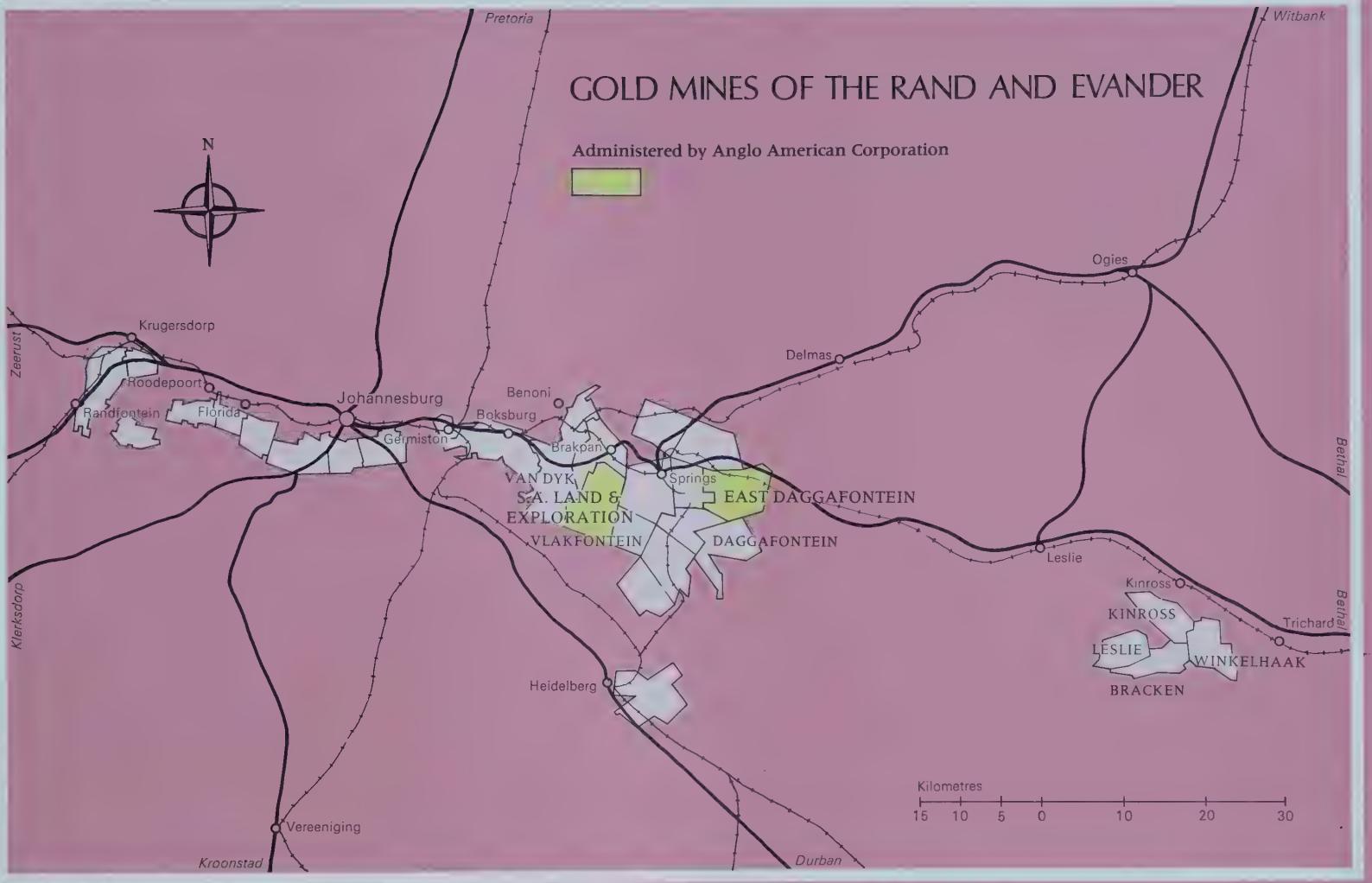
Year ended 31st December 1972.

Issued capital: R12 000 000 in shares of R1 each.

	1972	1971
Tons milled—metric	1 852 000	1 878 000
Yield—grams/ton	10,12	10,63
Cost per ton milled	R6,52	R6,12
Working profit	R11 493 000	R7 105 000
Taxation and lease payments	R6 411 000	R4 109 000
Dividends:		
Amount paid	R3 120 000	R1 440 000
Per share	26c	12c
Payable ore reserves:		
Tons	4 000 000	4 200 000
Value—cm.g	1 795	2 294

GOLD MINES OF THE RAND AND EVANDER

Administered by Anglo American Corporation



Diamond interests

The Corporation has a direct interest in De Beers Consolidated Mines Limited and, through its holding in Anglo American Investment Trust Limited, a considerable indirect interest in the De Beers group of companies. A short summary of these companies is given below.

De Beers Consolidated Mines Limited

The mining operations of the De Beers group are conducted by De Beers Consolidated Mines Limited and its subsidiaries. The Consolidated Diamond Mines of South West Africa Limited, Premier (Transvaal) Diamond Mining Company Limited and De Beers Botswana Mining Company (Proprietary) Limited. In Kimberley the company owns the Wesselton and De Beers mines and leases the Bultfontein and Dutoitspan mines from subsidiary companies. In terms of a long-term mining plan the De Beers, Dutoitspan and Wesselton mines are presently being operated. De Beers also operates the Finsch mine which is situated north-west of Kimberley and the Koffiefontein mine in the Orange Free State.

In Namaqualand De Beers is presently concentrating its mining operations on the farm Annex Kleinzee while other deposits on the farms Dreyers Pan, Langhoogte and Koingaas can be brought into production at short notice.

In addition, the company has, through its 48.25 per cent direct and indirect interest in Rand Selection Corporation Limited and through its subsidiary, De Beers Holdings Limited, large interests in the mining of gold, copper, platinum, coal and other minerals, and in a number of industrial, finance and property companies. Another subsidiary, De Beers Industrial Corporation Limited, has an interest, directly and indirectly, of about 42 per cent in AE&CI Limited and a 37.5 per cent interest in South African Nylon Spinners (Proprietary) Limited.

Year ended 31st December 1972.

Issued capital: R21 843 478 in 800 000 preference shares of R5 each and 356 869 557 deferred shares of 5 cents each.

Features from the consolidated accounts:

	1972	1971
Preference share capital	R3 978 000	R3 978 000
Ordinary share capital and reserves	R647 016 000	R569 561 000
Long-term loans	R34 034 000	R33 280 000
Minority interests	R56 094 000	R55 121 000
	<hr/>	<hr/>
Diamond mining and trading assets	R81 369 000	R78 417 000
Diamonds on hand-at cost		
Mining companies	R24 014 000	R20 602 000
Other companies	R198 567 000	R198 332 000
Quoted investments (Market value of quoted investments)	R198 113 000	R195 754 000
	(R447 073 000)	(R343 542 000)
Unquoted investments	R109 115 000	R106 003 000
Long-term loans	R19 183 000	R19 225 000
Net current assets	R102 620 000	R35 370 000
Other	R8 141 000	R8 237 000
	<hr/>	<hr/>
Diamond account	R741 122 000	R661 940 000
Interest and dividends on investments	R205 567 000	R107 931 000
	<hr/>	<hr/>
	R52 913 000	R42 666 000

	1972	1971
Royalties and other revenue	R9 296 000	R5 180 000
<i>Less:</i> Prospecting, interest and other charges	R267 776 000	R155 777 000
Consolidated profit before tax	R247 228 000	R140 274 000
Taxation and Government's share of profits under mining leases	R75 846 000	R32 676 000
Consolidated profit after tax	R171 382 000	R107 598 000
Minority interest and preference dividend	R9 932 000	R6 875 000
Attributable to deferred shareholders	R161 450 000	R100 723 000
Per share	45.2c	28.2c
Dividend paid	R64 236 000	R53 531 000
Per share	18c	15c

The Consolidated Diamond Mines of South West Africa Limited

Issued capital: R9 980 000 in 4 480 000 7½ per cent cumulative preference shares of R1 each and 5 500 000 ordinary shares of R1 each.

The De Beers company has a direct interest of 98.37 per cent in the ordinary shares and a direct and indirect interest of 36.32 per cent in the preference shares of this company which carries on open-cast alluvial mining operations along the southern portion of the coast of South West Africa and is a leading producer of gem diamonds. Production in 1972 totalled 1 596 144 carats compared with 1 561 572 carats in 1971.

Premier (Transvaal) Diamond Mining Company Limited

Issued capital: R160 000 in 160 000 preference shares of 50 cents each and 320 000 deferred shares of 25 cents each.

The De Beers company holds 98.40 per cent of the deferred shares and 93.67 per cent of the preference shares of this company which operates the Premier mine at Cullinan in the Transvaal.

This mine produced 2 453 634 carats for the year, principally of industrial quality, as compared with 2 436 834 carats in 1971.

De Beers Botswana Mining Company (Proprietary) Limited

Issued capital: R9 500 000 in 9 500 000 shares of R1 each.

De Beers Holdings Limited holds 85 per cent of the issued capital while the remaining 15 per cent is held by the Government of the Republic of Botswana. This company operates the Orapa mine in central Botswana which was brought into production in mid-1971. The mine, which is operated on the open-cast system produced 2 402 936 carats in 1972.

The Diamond Corporation (Proprietary) Limited

Issued capital: R44 000 000 in 22 000 000 shares of R2 each.

The corporation contracts with various producers who are not members of the Diamond Producers Association for the purchase of their production.

The corporation built up large financial resources which facilitate the holding of large stocks of diamonds, thereby stabilising the trade. In addition the corporation holds important investments in De Beers Holdings Limited and Rand Selection Corporation Limited.

The Diamond Purchasing and Trading Company (Proprietary) Limited

Issued capital: R5 000 000 in 2 500 000 shares of R2 each.

The Diamond Trading Company Limited

Issued capital: R2 000 000 in 1 000 000 shares of R2 each.

These two companies and their subsidiaries are concerned with the marketing of gem and near-gem diamonds.

De Beers Holdings Limited

Issued capital: R45 700 000 in 22 850 000 shares of R2 each.

This company holds investments in mining, industrial and financial companies, and finances, to a large extent, prospecting companies outside South Africa and through a subsidiary, De Beers Botswana Mining Company (Proprietary) Limited, holds the De Beers group's interest in the Orapa mine in Botswana. It also holds the De Beers group's interest in companies associated with sea and foreshore mining. Debold (Canada) Limited, which is a subsidiary company, has indirect interests in several Canadian mining and prospecting ventures, and another subsidiary, De Beers European Holding S.A. has an interest in Australian Anglo American Limited.

Ultra High Pressure Units Limited

Issued capital: R4 500 000 in 2 250 000 shares of R2 each.

Ultra High Pressure Units (Ireland) Limited

Issued capital: £399 208 in 399 208 shares of £1 each.

De Beers has a 50 per cent interest in these two companies, which manufacture synthetic diamonds in South Africa and Ireland.

Industrial Distributors (1946) Limited

Issued capital: R1 500 000 in 500 000 five per cent cumulative participating preference shares of 50 cents and 2 500 000 ordinary shares of 50 cents each.

Industrial Distributors (Sales) Limited

Issued capital: R200 000 in 100 000 shares of R2 each.

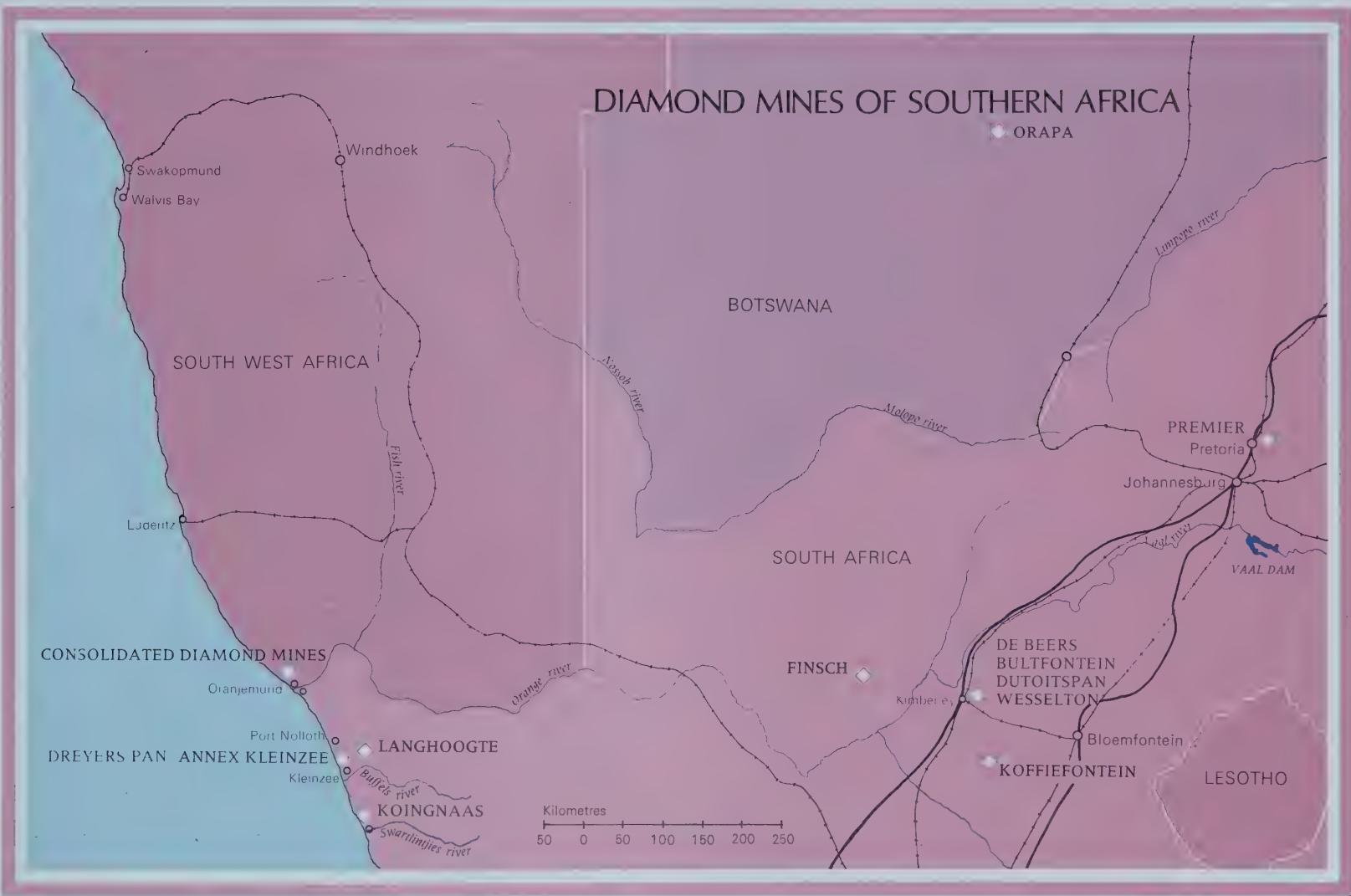
Abrasive Grit Sales Limited

Issued capital: £180 000 in 54 000 'A' ordinary shares of £1 each and 126 000 'B' ordinary shares of £1 each.

Industrial Grit Distributors (Shannon) Limited

Issued capital: £180 000 in 180 000 ordinary shares of £1 each.

These companies are concerned with the marketing of the types of industrial diamonds known as boart, drilling material and grit, both natural and synthetic, which are in increasing demand in industry.



De Beers Industrial Diamond Division Limited

Issued capital: R2 000 in 1 000 shares of R2 each.
 This company, formerly known as Adamant Laboratories (Proprietary) Limited, holds the De Beers group's patents relating to industrial diamonds. It is, in addition the management company implementing the policy of the industrial diamond division and it administers the De Beers diamond research laboratory.

De Beers Industrial Diamond Division (Ireland) Limited

Issued capital: £306 000 in 306 000 shares of £1 each.
 This company provides technical services to Ultra High Pressure Units (Ireland) Limited and Scandiamant AB. It also administers the industrial diamond group of companies in Shannon, Ireland.

Copper and other mining interests

The Corporation has indirect interests in most of the copper mining companies in Zambia through its holding in Zambian Anglo American Limited. The Corporation also has direct interests in the South African copper mining industry through its holding in The Messina (Transvaal) Development Company Limited. Brief particulars of the operations of these copper producing companies are set out below.

Managed by the Anglo American Corporation Group

Nchanga Consolidated Copper Mines Limited

The company operates four copper mining divisions and one centralised services division on the Zambian Copperbelt, and a lead and zinc division at Kabwe in Zambia. The Anglo American Corporation Group has been appointed to provide managerial, consultancy, metal marketing and other services for a minimum period of 10 years from 1st January 1970, subject to earlier termination under certain specified conditions. Consulting services are also provided for a period of five years. Fifty-one per cent of Nchanga's issued ordinary share capital is held on behalf of the Government of Zambia by Mindeco Limited (Mindeco) in the form of 'A' ordinary shares and the remaining 49 per cent is held by Zambia Copper Investments Limited (ZCI) in the form of 'B' ordinary shares.

Year ended 31st March 1972.

Issued capital: K253 973 236 in 64 373 152 'A' ordinary shares of K2 each and 61 848 715 'B' ordinary shares of K2 each and 391 387 5½ per cent and 373 364 5 per cent redeemable cumulative preference shares of K2 each.

Share capital and reserves: K333 655 000.

Long-term loans: K41 088 000.

Year ended	15 months to
31st March	31st March
1972	1971

Production of finished copper—metric tons	401 283	494 816
Upper sales—tons	420 363	475 983
Total sales revenue all metals	K348 179 000	K448 807 000
Profit before taxation	K100 401 000	K203 729 000
TAXATION	K32 092 000	K106 845 000
Profit after taxation	K68 309 000	K96 884 000
Dividends:		
Ordinary 'A' and 'B' shares	K36 000 000	K51 000 000
Preference shares	K54 000	K67 000

All financial figures are expressed in Zambian currency.

Administered outside the Anglo American Corporation Group

The Messina (Transvaal) Development Company Limited

The company mines copper in the northern Transvaal and in Rhodesia and has interests in property, motor vehicle manufacturing and finance companies.

Year ended 30th September 1972.

Issued capital: 10 850 000 stock units of 50 cents each.

1972	1971	
Production of finished copper—metric tons	46 319	34 814
Average price per ton	R818*	R777

	1972	1971
Consolidated profit before taxation	R14 361 000	R9 043 000
Taxation	R2 046 000	R1 825 000
Consolidated profit after taxation and deduction of minority shareholders' interests	R8 705 000	R5 035 000
Earnings per share	80c	46c
Dividends:		
Amount paid	R4 123 000	R4 123 000
Per stock unit	38c	38c

*The rand price of copper was affected by:

- (i) The 12 per cent devaluation of the rand on 22nd December 1971.
- (ii) The floating of the rand on 23rd June 1972.

Roan Consolidated Mines Limited

The company operates copper mines at Mufulira, Luanshya, Chibuluma and Chambishi on the Zambian Copperbelt, Kalengwa mine in the North-Western Province of Zambia, and a copper refinery at Ndola. To help finance the expansion programmes at Chambishi and at Baluba (which is part of the Luanshya division) and for other capital expenditure programmes, medium- and long-term loans amounting to K27 million have been successfully negotiated with British and American banks. In addition, credit facilities have been negotiated against overseas equipment purchases amounting to K35 million. Fifty-one per cent of the company's issued ordinary share capital is held on behalf of the Government of Zambia by Mindeco Limited in the form of 'A' ordinary shares.

Zambia Copper Investments Limited holds 12.25 per cent of the equity in the form of 'B' ordinary shares.

Year ended 30th June 1972.

Issued capital: K121 260 264 in 15 460 684 'A' ordinary shares of K4 each and 14 854 382 'B' ordinary shares of K4 each.

Share capital and reserves: K219 119 000.

	1972	1971
Debenture stocks, loans and credit facilities:	K31 532 000	
Production of finished copper—metric tons	242 734	250 355
Copper sales—tons	242 475	258 103
Average proceeds—per ton	K766	K822
Total sales revenue	K190 941 000	K218 772 000
Consolidated profit before taxation	K53 724 000	K85 826 000
Taxation	K10 702 000	K36 132 000
Consolidated profit after taxation	K43 022 000	K49 694 000

Other mining

The Corporation has direct and/or indirect interests in various other mining companies in South Africa, South West Africa, Swaziland, Rhodesia and Canada. Brief particulars of some of these companies are recorded under two headings: administered within the Anglo American Corporation Group; and administered outside the Anglo American Corporation Group.

Administered within the Anglo American Corporation Group

Swaziland Iron Ore Development Company Limited

The company operates an iron ore mine at Ngwenya in Swaziland, and is fulfilling the following contracts for the supply of iron ore to Japan:

(a) 14.7 million metric tons of high-grade lump ore over the period to 1975;

(b) 5.2 million metric tons of high-grade fines over the period to 1975; and

(c) 7.3 million metric tons of medium-grade ore for the period to 1978.

A total of 2.6 million metric tons of high-grade ore was supplied to the Japanese steel mills during 1972. As a result of the 10 per cent cutback in the rate of deliveries negotiated by the Japanese steel mills in 1971, no medium-grade ore was delivered.

Administered outside the Anglo American Corporation Group

Hudson Bay Mining and Smelting Co. Limited

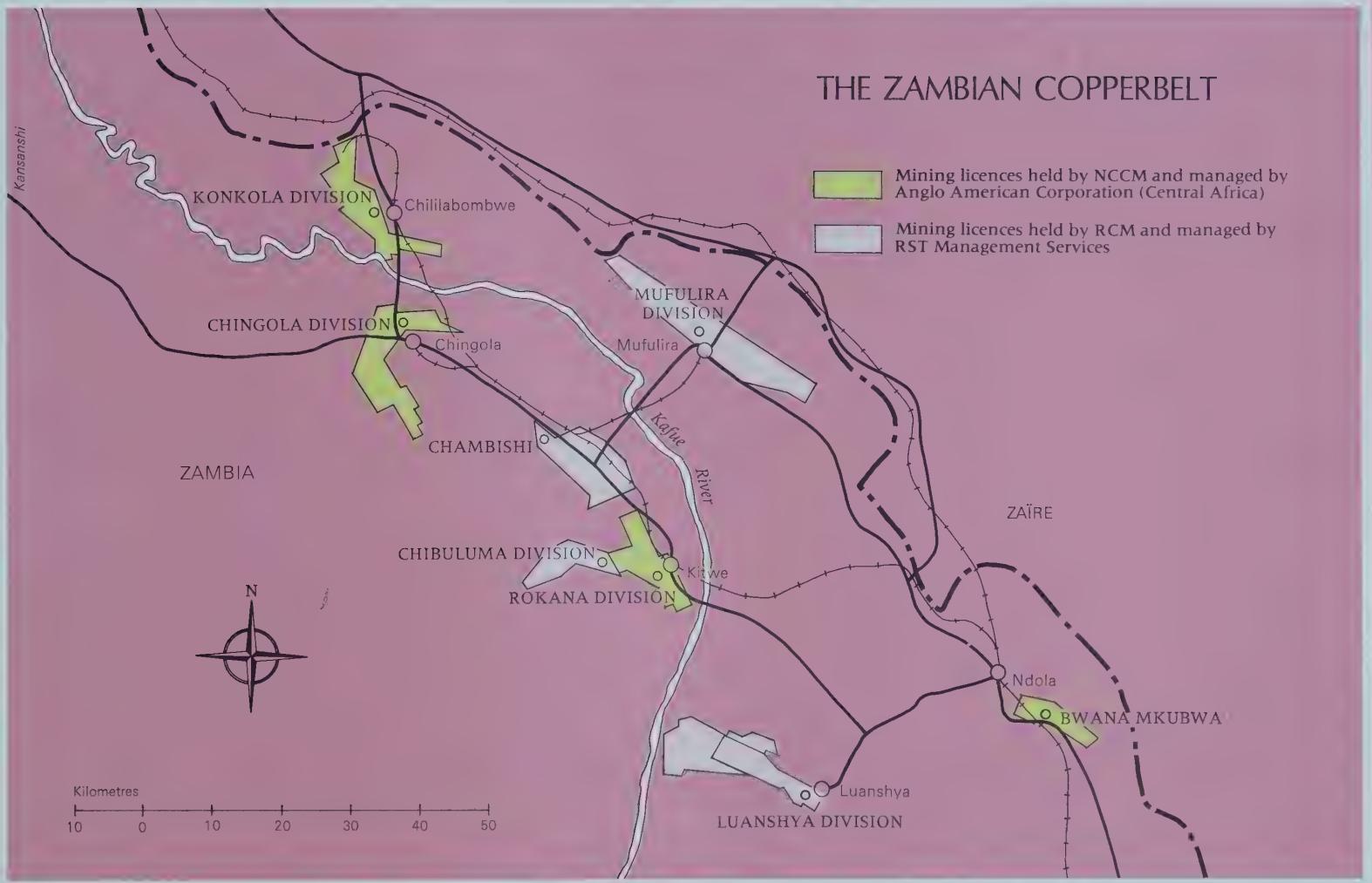
The company operates nine base-metal mines in Manitoba and Saskatchewan, two of them having been brought into production during 1972. Flexar Mine, which began production in April 1969, was shut down in October 1972, its ore reserves having been depleted. In addition the company has three undeveloped gold/copper/zinc properties in the Flin Flon/Snow Lake area of Northern Manitoba.

The base metal mines produce complex ores from which the company recovers copper, zinc, gold, silver, cadmium, selenium and lead concentrates.

During the year the company concluded a two-stage arrangement whereby it can increase its present 19 per cent shareholding in Stikine Copper Limited in north-western British Columbia to 45 per cent. The arrangement calls for Hudson Bay to finance and manage a drilling and preliminary engineering programme over a maximum of five years at a maximum cost of \$3.3 million. To the extent that funds are spent on the programme, Hudson Bay will take down further treasury shares in Stikine to increase its interest up to an additional 16 per cent. If it is decided to begin detailed feasibility studies aimed at financing the property to production, Hudson Bay under certain circumstances will take down additional shares to increase its interest to 45 per cent. Drilling on the property in the mid-1960's indicated a porphyry-type deposit containing more than 100 million tons grading in excess of one per cent copper in an extensive mineralised area. Hudson Bay completed the first year of its drilling programme during the summer of 1972.

The metallurgical complex at Flin Flon achieved

THE ZAMBIAN COPPERBELT



a significant increase in copper production, compared with 1970 results (a strike in 1971 that shut down operations for five months makes a comparison with that year unrealistic). However, the company's earnings were adversely affected by rising operating costs, weak metal prices and a write-off of \$9.4 million, after income tax deductions, incurred following the decision to close the Wellgreen mine in the Yukon early in 1973. Despite intensive diamond drilling and development work, it was found that the copper nickel orebody had very little continuity in both the horizontal and vertical planes. These irregularities, plus poor ground conditions, made it impossible to establish a method of mining which will sustain a continuous extraction programme at the rate necessary to ensure a profitable operation.

Other interests include a copper interest in White-Copper Mines Limited in the Yukon and an interest in Baffinland Iron Mines Limited which holds a deposit on the northern tip of Baffin Island. Hudson Bay has majority control of Francana Oil and Limited which has oil and gas interests in western Canada. In the Arctic islands and off the east coast of Canada Francana, through a wholly-owned U.S. subsidiary, has a substantial holding (22 per cent) in Hud Exploration Limited, of Denver, Colorado, which is actively searching for minerals and hydrocarbons throughout North America, Britain and the North Sea, Italy, Spain, Indonesia and Australia.

Hudson Bay, through wholly-owned Hudcana Development Corporation, has a controlling interest (49 per cent) in Francana Minerals Limited, a sodium sulphate producer in Saskatchewan, which in turn owns 100 per cent of Sodium Sulphate (Saskatchewan) Limited.

Through its Sylvite of Canada Division, Hudson Bay operates a potash mine and refinery in southern Saskatchewan and produced 505 580 tons of muriate of potash for the year. Terra Chemicals International Inc., a U.S. fertilizer manufacturer in which Hudson Bay has a 15 per cent interest with an option to increase this to 25 per cent, handled the majority of Sylvite's sales in the U.S. Sales overseas were made through an international marketing agency; Canadian sales were handled by Sylvite's own sales staff which also worked closely with Terra and the international agency. At mid-year, Sylvite joined Canpotex, an export agency formed by producers in Saskatchewan to handle all overseas sales.

Year ended 31st December 1972.

Issued capital stock: \$45 936 356 in 9 041 433 shares of no par value.

Total shareholders equity: \$144 078 617.

1972 1971

Gross revenue from sale of products \$107 843 689 \$60 606 500

Income and provincial mining taxes \$2 499 566 (\$1 204 142)

*Net earnings after taxation \$2 861 312 \$3 008 977

Earnings per share 32c 33c

Dividends:

Amount paid \$7 233 146 \$4 520 417

Per share 80c 50c

Investments in other companies \$12 442 064 \$10 853 809

Investments in marketable securities at cost \$2 541 190 \$2 541 190

Production:

Slab zinc-metric tons 69 875 37 338

Metallic cadmium-kg 175 435 66 160

Refined copper-tons 49 057 24 483

Selenium-kg 29 859 28 065

Gold-oz 51 990 27 635

Gold-g 1 616 889 859 449

	1972	1971
Silver-oz	1 014 041	504 021
Silver-g	31 536 675	15 675 053
Lead concentrates-tons	301	332

All amounts expressed in Canadian currency.

*After providing for a write-off in the amount of \$8 518 000 with respect to loss on the Wellgreen mine, Yukon.

The South West Africa Company Limited

The company mines lead, zinc, vanadium, tin and wolfram ores in South West Africa.

Year ended 30th June 1972.

Issued capital: £425 446 in 2 127 228 ordinary shares of 20p each.

Group share capital and reserves: £1 645 090.

1972 1971

Concentrates produced—

metric tons:	1972	1971
Lead/vanadate	5 571	8 197
Zinc/lead sulphide	11 089	7 319
Zinc silicate	23 692	23 674
Tin/wolfram	635	595
	<u>40 987</u>	<u>39 785</u>

Sales proceeds £1 748 234 £2 437 699

Consolidated profit before taxation £121 565 £722 000

Taxation £33 200 £286 400

Consolidated profit after taxation £88 365 £435 600

Dividends:

Amount paid £106 362 £319 084

Per share* 5p 15p

*Less U.K. tax at the appropriate rate.

All amounts expressed in United Kingdom currency.

Tsumeb Corporation Limited

The company mines copper, lead, silver and zinc in South West Africa, and in addition produces cadmium, arsenic trioxide and sulphuric acid.

Year ended 31st December 1972.

Issued capital: R2 000 000 in 4 000 000 shares of 50 cents each.

	1972	Six months to 31st December 1971*
Production:		
Copper-metric tons	17 622	11 624
Lead-tons	49 684	27 751
Zinc-tons	4 308	2 868
Cadmium-kg	198 952	109 322
Silver-g	34 545 317	20 196 813
Silver-troy ozs	1 110 657	649 343
Sales proceeds	R37 300 283	R16 759 879
Profit before taxation	R8 056 512	R4 868 633
Taxation	R3 047 631	R1 836 385
Profit after taxation	R5 008 881	R3 033 248
Dividends:		
Amount paid	R3 700 000	R4 000 000
Per share	92.5c	100c

*No comparable figures for the year to 31st December 1971 are available because the company changed its financial year from 30th June to 31st December on 1st January 1972.

Union Platinum Mining Company Limited

The company derives its revenue from investment income, the principal source being Rustenburg Platinum Mines Limited.

Year ended 31st October 1972.

Issued capital: R1 650 000 in 16 500 000 shares of 10c each.

	1972	1971
Income from investments:		
Quoted	R21 000	R26 000
Unquoted	R1 301 000	R1 570 000
Profit before taxation	R1 290 000	R1 568 000
Taxation	R2 000	R3 000
Profit after taxation	R1 288 000	R1 565 000
Dividends:		
Amount paid	R1 374 000	R1 480 000
Per share	8.33c	8.97c

The Corporation has, through African and European Investment Company Limited, Anglo American Corporation Rhodesia Limited and The Vereeniging Estates Limited, indirect interests in a number of colliery companies. Brief particulars of the operations and activities of some of the collieries in which these companies have a substantial shareholding are given below.

Amalgamated Collieries of South Africa Limited

Year ended 31st December 1972.

Issued capital: R6 220 000 in shares of R2 each.

	1972	1971
Coal sales—metric tons:		
Cornelia Colliery	3 039 283	2 960 166
Springfield Collieries Limited*	<u>2 687 870</u>	<u>2 728 736</u>
	<u>5 727 153</u>	<u>5 688 902</u>
Consolidated profit before taxation	R2 000 000	R2 120 000
Taxation	R662 000	R636 000
Consolidated profit after taxation	R1 338 000	R1 484 000
Dividends:		
Amount paid	R1 244 000	R1 244 000
Per share	40c	40c
Trade and other investments at cost	R1 782 000	R1 789 000
Income derived from investments	R181 000	R244 000

*Subsidiary company.

Blesbok Colliery Limited

Year ended 31st December 1972.

Issued capital: R1 540 000 in shares of 50 cents each.

	1972	1971
Coal sales—metric tons	454 712	495 498
Profit before taxation	R335 558	R304 331
Taxation	R46 801	R76 553
Profit after taxation	R288 757	R227 778
Dividends:		
Amount paid	R184 800	R184 800
Per share	6c	6c

Ingagane Colliery (Proprietary) Limited

Year ended 30th June 1972.

Issued capital: R1 950 000 in shares of R2 each.

	1972	1971
Coal sales—metric tons	308 125	337 105
Loss for the year (1971: profit)	R69 108	R29 545

Natal Anthracite Colliery Limited

Year ended 30th June 1972.

Issued capital: R1 284 140 in stock units of 50 cents each.

	1972	1971
Coal sales—metric tons	356 401	461 414
Consolidated profit before taxation	R675 794	R1 000 507
Taxation	R196 240	R341 000
Consolidated profit after taxation	R479 554	R659 507
Dividends:		
Amount paid	R333 876	R385 242
Per stock unit	13c	15c

Natal Coal Exploration Company Limited

Year ended 30th June 1972.

Issued capital: R2 500 000 in shares of 50 cents each.

With the closure of the mine in October 1968, the company's business is confined to the receipt of royalty income from:

(1) the lease of its bituminous coal trade allocation to three other producing collieries in Natal;

(2) the lease of its coal reserves in the Mooi Krantz area to The Natal Cambrian Collieries Limited.

The company also receives certain rents from houses leased in the mine village.

Net profit for the year amounted to R150 000 (1971: R124 000). A dividend of 2.5 cents (1971: 2.5 cents) a share absorbed R125 000 (1971: R125 000), leaving an unappropriated profit of R42 000 (1971: R17 000).

With the exception of the mine property and village, covering an area of 762 hectares, there are no other realisable assets at the mine.

New Largo Colliery Limited

Year ended 30th June 1972.

Issued capital: R1 600 000 in shares of 50 cents each.

	1972	1971
Coal sales—metric tons	991 921	1 251 029
Profit before taxation	R303 957	R443 480
Taxation	R91 186	R136 798
Profit after taxation	R212 771	R306 682
Dividends:		
Amount paid	R192 000	R288 000
Per share	6c	9c

South African Coal Estates (Witbank) Limited

Year ended 30th June 1972.

Issued capital: R2 000 000 in shares of R2 each.

	1972	1971
Sales—metric tons:		
Steam coal—Landau		
No. 3 Colliery	1 398 000	1 382 000
Blend coking coal—Navigation and Landau		
No. 3 collieries	550 288	441 622
	<u>1 948 288</u>	<u>1 823 622</u>
Profit before taxation	R562 000	R569 000
Taxation—normal	—	R146 000
Under-provided 1971	R11 000	—
Profit after taxation	R551 000	R423 000
Dividends:		
Amount paid	R400 000	R400 000
Per share	40c	40c

The company, in terms of a contract concluded in March 1971, is scheduled to supply some 5.4 million tons of low-ash coal to the Japanese steel mills, mainly over a ten-year period from April 1976. Until then, it has been agreed to supply through The Transvaal Coal Owners Association (1923) (Proprietary) Limited 300 000 tons of low-ash coal a year to the South African Iron and Steel Industrial Corporation Limited and these deliveries began in October 1972.

Springbok Colliery Limited

Year ended 31st December 1972.

Issued capital: R2 400 000 in stock units of 50 cents each.

	1972	1971
Coal sales—metric tons:		
Steam coal	1 062 712	1 198 349
Blend coking coal	1 093 660	1 144 448
	<u>2 156 372</u>	<u>2 342 797</u>
Profit before taxation	R1 559 000	R1 464 000
Taxation	R476 000	R446 000
Profit after taxation	R1 083 000	R1 018 000

Dividends:	1972	1971
Amount paid	R792 000	R864 000
Per stock unit	16.5c	18c

The Coronation Collieries Limited

Year ended 31st December 1972.

Issued capital: R3 600 000 in shares of 50 cents each. (The company owns 65.45 per cent of the issued capital of Vryheid Coronation Limited.)

	1972	1971
Coal sales ex Bank	1 526 736	1 649 641
Colliery—metric tons		
Coke sales ex Vryheid Coronation Limited—metric tons	691 833	616 587
Consolidated profit before taxation	R2 753 000	R1 938 000
Taxation	R969 000	R599 000
Consolidated profit after taxation and deduction of minority shareholders' interests	R1 240 000	R996 000
Dividends:		
Amount paid	R432 000	R648 000
Per share	6c	9c
Trade and other investments at cost	R911 000	R888 000
Income derived from investments	R542 000	R415 000

The Newcastle-Platberg Colliery Limited

Year ended 30th June 1972.

Issued capital: R950 000 in shares of 50 cents each.

	1972	1971
Coal sales—metric tons	441 503	459 918
Profit before taxation	R275 639	R377 118
Taxation	R97 000	R133 000
Profit after taxation	R178 639	R244 118
Dividends:		
Amount paid	R95 000	R95 000
Per share	5c	5c

Vierfontein Colliery Limited

Year ended 30th June 1972.

Issued capital: R2 000 000 in shares of 50 cents each.

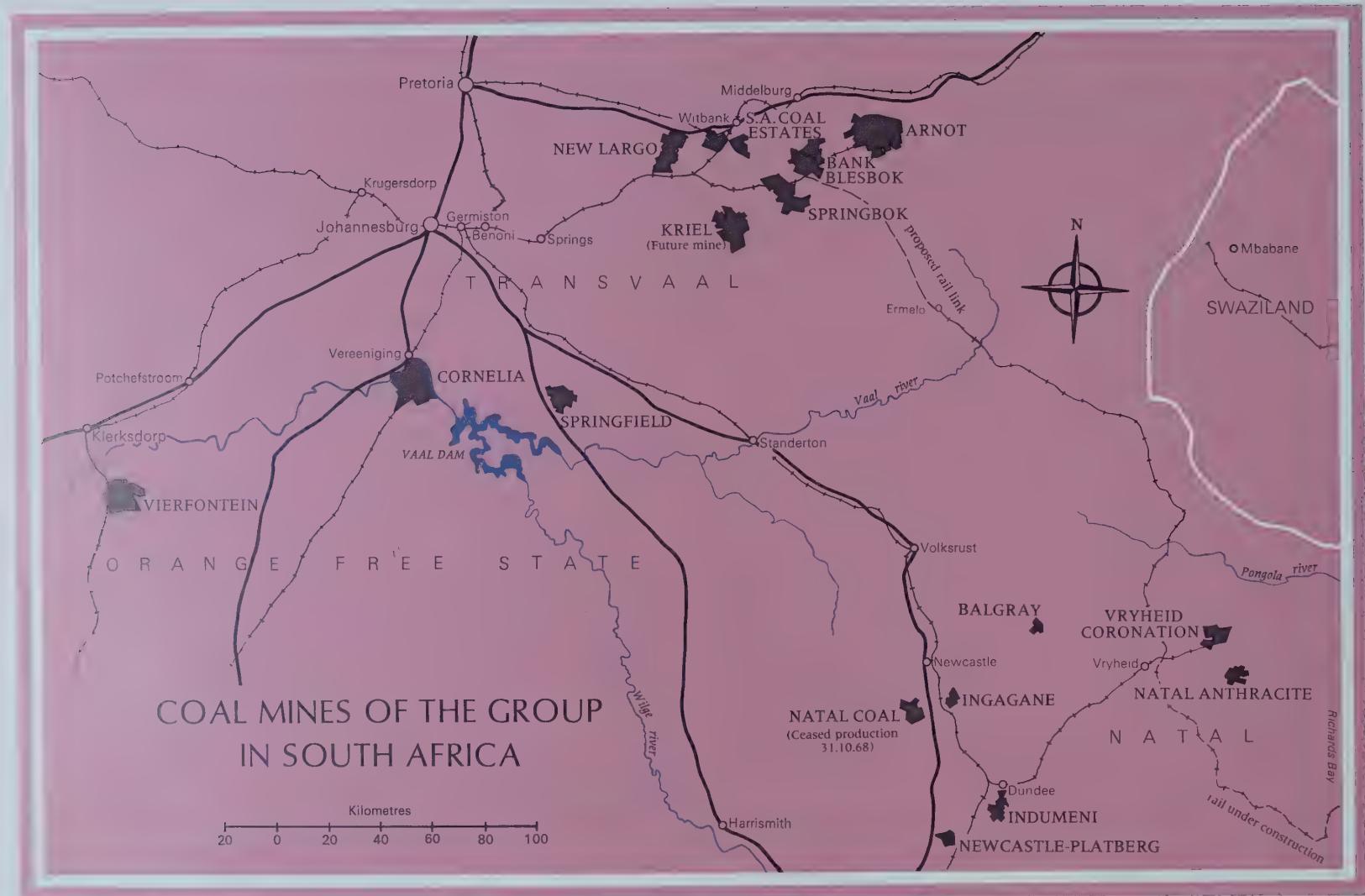
	1972	1971
Coal sales—metric tons	1 456 000	1 550 000
Profit before taxation	R537 000	R546 000
Taxation	R182 000	R191 000
Profit after taxation	R355 000	R355 000
Dividends:		
Amount paid	R320 000	R340 000
Per share	8c	8.5c

Wankie Colliery Company Limited

Year ended 31st August 1972.

Issued capital: \$12 666 744 in shares of \$1 each.

	1972	1971
Sales:		
Coal—metric tons	2 762 297	3 092 533
Coke—metric tons	297 181	268 689
Tar—litres	4 701 252	4 469 327
Profit before taxation	\$2 289 000	\$3 483 000
Taxation	\$526 000	\$932 000
Profit after taxation	\$1 763 000	\$2 551 000
Dividends:		
Amount paid	\$1 520 000	\$1 900 000
Per share (net)	12c	15c
Quoted investments:		
Book cost	\$2 121 000	\$3 080 000
Market value	\$2 257 000	\$3 136 000



Unquoted investments:	1972	1971
Coms	\$7 697 000	\$7 697 000
Other	\$290 000	\$290 000

All financial figures are expressed in Rhodesian
pounds

Zuunguin Natal Collieries Limited

Year ended 30th June 1972.

Issued capital: R700 000 in shares of 50 cents each.

	1972	1971
Coking coal sales—		
metric tons:*	294 958	302 843
Consolidated profit		
before taxation	R401 000	R287 000
Taxation	R130 000	R4 000
Consolidated profit		
after taxation	R271 000	R283 000
Dividends:		
Amount paid	R210 000	R210 000
Per share	15c	15c

*Sales by the subsidiary company, Indumeni Coal Mines Limited.

The Corporation has interests, some direct and some through associated companies, including Anglo American Industrial Corporation Limited, in a number of industrial and commercial companies. Brief particulars of some of these companies are recorded under two headings: members of the Anglo American Corporation Group; and other industrial and commercial interests.

Members of the Anglo American Corporation Group

Boart and Hard Metal Products SA Limited

The company is a wholly-owned subsidiary of Anglo American Industrial Corporation Limited.

The Boart and Hard Metal Products group comprising more than 100 subsidiary and associated companies throughout the world is engaged in the manufacture and marketing of all types of diamond and tungsten carbide tipped drilling tools, and certain of the companies undertake, on a contract basis, surface and underground drilling operations and mining services.

A new company, Boart (Sweden) A.B., was established to expand the group's activities in Scandinavia and is a wholly-owned subsidiary of Boart International Luxembourg S.A.H. A further acquisition of share capital during the year in Mining Developments (U.K.) Limited, a company engaged in the development of new mining equipment and techniques, increased the company's participation to 90 per cent. A 51 per cent interest was acquired in a recently formed company, Boart Blasthole Drilling (Proprietary) Limited which undertakes down-the-hole and blast-hole drilling on a contract basis within southern Africa.

The consolidated profit after taxation and deduction of minority shareholders' interests, for the year to December 1972, was R1 450 000 compared with R1 680 000 for the previous year.

Clay Products Limited

The company owns a factory near Bulawayo, Rhodesia, producing a wide range of refractory products and salt-glazed earthenware pipes and fittings.

Year ended 31st March 1972.

Issued capital: \$798 000 in 399 000 shares of \$2 each.

	1972	1971
Profit before taxation	\$66 098	\$151 215
Taxation	\$6 977	\$43 517
Dividends:		
Amount paid	\$79 800	\$79 800
Per share	10c	10c

All amounts expressed in Rhodesian currency.

Forest Industries and Veneers Limited

The company owns the entire issued capital of Peak Timbers Limited, which in turn owns timber plantations and operates a sawmill and logging fleet in Swaziland. Peak suffered an operating loss of R165 000 compared with a profit of R357 000 the previous year. This loss was mainly due to the stagnant South African economy during 1972 and the excessively inclement weather experienced.

Peak is continuing with its expansion programme incorporating alterations to the mill, improving its logging fleet and upgrading its roads.

The company has a large shareholding in Bruynzeel Plywoods Limited.

Year ended 30th June 1972.

Issued capital: R6 290 536 in 6 274 509 ordinary shares of R1 each and 16 027 seven per cent cumulative participating preference shares of R1 each.

Share capital and reserves (consolidated): R6 360 000.

Loan capital:

6½ per cent registered unsecured debenture stock—1978/83	R2 260 000
Registered secured redeemable convertible debenture stock—1985	<u>R1 678 000</u>
	<u>R3 938 000</u>

	1972	1971
Market value of quoted investment	R1 378 000	R1 103 000
Book cost of quoted investment	R1 181 000	R1 181 000
Consolidated loss (1971: profit)	R233 000	R264 000

G. & W. Holdings (Proprietary) Limited

This company, through its wholly-owned subsidiaries, G. & W. Base and Industrial Minerals (Proprietary) Limited and G. & W. Industrial and Chemical Supplies (Proprietary) Limited, is engaged in the mining, processing and marketing of a wide range of industrial minerals to a number of industries including the foundry, paint, rubber, plastic, oil drilling, chemical, ceramic, glass, agricultural and pharmaceutical industries. Its main processing plant is situated at Wadeville, Germiston and it has a number of mining operations in various parts of the country.

Another subsidiary, Zinchem (Proprietary) Limited, produces zinc dust for the gold mines and the paint industry and zinc oxide for use in the rubber, paint, ceramic, pharmaceutical, agricultural and chemical industries at its factory near Benoni.

Highveld Steel and Vanadium Corporation Limited

Highveld Steel and Vanadium Corporation owns and operates an iron, steel and vanadium complex at Witbank in the Transvaal. Highveld, together with its wholly-owned subsidiaries, Transvaal Vanadium Company (Proprietary) Limited and Ironstone Minerals (Proprietary) Limited, holds mineral rights over areas containing proved iron ore reserves of 120 million tons and, in addition, certain mineral leases in the course of registration will vest in the group rights to a further estimated 60 million tons of ore.

Highveld's full ore requirements were met from production at its Mapochs and Kennedy's Vale mines. However, during the year, it was decided in the interests of overall economy to suspend mining at Kennedy's Vale and to draw ore from Mapochs mine for treatment at the Vanra Division.

As a result of the improved furnace performance in the iron plant, the loss of R1 859 000 recorded during the half year ended on 31st December 1971 was reduced to a loss of R1 635 000 for the financial year ended 30th June 1972 after providing for interest charges of R5 617 000 and depreciation amounting to R6 168 000.

Production increased throughout the steelworks during the half year to June 1972. The output of the iron plant was 27 per cent higher than in the previous half year as a result of the considerable progress made towards solving the problems associated with the process. However, despite the higher sales volume during the year, weak market conditions for both

steel and vanadium products reduced total revenue from R42 623 000 in the 1970/71 financial year to R37 054 000 in 1971/72.

Sustained better achievements in the steelworks, an increase in production at Vanra and a significant firming of the steel and vanadium markets have resulted in an unaudited operating profit of R3 480 000 for the half year to December 1972, after provision for interest and depreciation amounting to R2 633 000 and R3 106 000 respectively. The accumulated loss of R15 629 000 at 30th June 1972 has been reduced to R12 149 000 at 31st December 1972. It is expected that favourable market conditions will continue during the next half year and that the present high levels of production will be maintained.

Production for the six months ended 31st December 1972 and for the preceding six months was as follows:

	Six months ended 31/12/72	Six months ended 30/6/72
Production—metric tons:		
Hot metal—total	219 036	201 273
Continuously cast blocks:		
For rolling	184 310	174 397
For sale	<u>35 949</u>	<u>31 528</u>
Total	<u>220 259</u>	<u>205 925</u>
Rolled products:		
Billets	25 969	41 082
Sections	<u>136 508</u>	<u>112 209</u>
Total	<u>162 477</u>	<u>153 291</u>
Vanadium slag	16 203	15 316
Year ended 30th June 1972: (consolidated)		
	1972	1971
Issued capital	R56 324 000	R56 301 000
Share premium	R977 000	R976 000
Accumulated loss	R15 584 000	R13 949 000
Loans—long- and medium-term	R44 027 000	R44 027 000
Fixed assets	R100 839 000	R101 819 000
Trade investments at cost	R5 198 000	R5 277 000
Net current liabilities	R20 293 000	R19 741 000

Long-term loans of DM100 000 000 (approximately R18 825 000) and U.S.\$20 000 000 (approximately R14 343 000), to both of which attach rights to subscribe for ordinary shares, were raised in Europe in 1966 and 1967. A loan of 65 000 000 Swiss francs with a net interest rate of 6½ per cent a year was repaid from the proceeds of a new short-term loan of 65 000 000 Swiss francs with a net interest rate of four per cent a year.

Highveld has entered into forward exchange contracts with the South African Reserve Bank, securing the rate of exchange on payment of interest and repayment of the capital sums in respect of the loans mentioned above.

Hippo Valley Estates Limited

The company produces sugar, citrus and related products in Rhodesia.

Year ended 31st March 1972.

Issued capital: \$5 500 000 in 11 000 000 shares of 50 cents each.	1972	1971
Share capital and reserves: \$11 037 000.		
Profits after taxation	\$2 778 000	\$1 841 000
Dividends:		
Amount paid	\$1 100 000	
Per share	10c	
Amounts expressed in Rhodesian currency.		

Industrias de Caju Mocita S.A.R.L.

The company holds a licence to process 17 500 metric tons of cashew seed a year at João Belo in Mozambique. The company is the leading exporter of unroasted cashew kernels in Mozambique and has developed markets in more than 15 countries under the brand name Mocita.

In addition the company's subsidiary, Industrias de Caju Antenes S.A.R.L. has established a second factory at Antonio Enes, north of Beira, which holds a licence to process 15 000 metric tons a year.

The two factories will produce 325 000 cases of cashew kernels and 3 500 metric tons of CNSL a year when full capacity throughput is achieved.

Mondi Paper Company Limited

The company's share capital is held by the Anglo American Corporation and De Beers groups, and by Johannesburg Consolidated Investment Company Ltd.

Mondi operates a paper mill at Merebank, Durban, comprising a groundwood mill, two highspeed paper machines and a paper finishing department.

The paper mill which started newsprint production in 1971 is already exporting newsprint to the Far East and South America in addition to helping meet growing demand in South Africa.

Its total productive capacity of 160 000 metric tons a year consisting principally of newsprint and bookfree fine paper, will save South Africa some 16 million a year in foreign exchange. Gravure and mechanicals and telephone directory paper are also being produced.

Scaw Metals Limited

Year ended 31st December 1972.

The company, which is a wholly-owned subsidiary of Anglo American Industrial Corporation Limited, operates in three major fields, namely:

- (a) Ferrous and non-ferrous castings;
- (b) Rolled steel products in the merchant bar range;
- (c) Grinding media for mining and cement industries.

The cast ferrous products include railroad components such as freight car wheels and bogie castings.

The taxed profit of the Scaw Metals group of companies for the year to December 1972 was R4 507 000 compared with R4 048 000 for the previous year.

The company has investments in Highveld Steel and Vanadium Corporation Limited, Ferrous Scrap Distributors (Proprietary) Limited and W.S. Craster (Private) Limited.

Soetvelde Farms Limited

The company was formed to consolidate and develop the farming interests of the Anglo American Corporation and De Beers groups.

Its operations embrace a wide range of activities, including the growing of maize, wheat and other dryland crops, raising cattle, sheep and pigs, and milk production, over large areas of the Transvaal, Orange Free State, northern Cape and Rhodesia.

Debsan Ranches (Private) Limited, a wholly-owned subsidiary, has an extensive cattle ranching operation near Gwelo, Rhodesia.

On its extensive estate in the Groot Drakenstein Valley of the western Cape, Rhodes Fruit Farms Limited, an associated company, grows deciduous and other fruit for canning and for sale as fresh.

Stone and Allied Industries (O.F.S.) Limited

The company is a wholly-owned subsidiary within the Anglo American Industrial Corporation group. The

company and its subsidiaries produce crushed rock for the railways, the building and construction industry and for road construction at plants in Welkom, Carletonville and Phalaborwa. In addition, the company has a subsidiary in Welkom making concrete products.

Transalloys (Proprietary) Limited

The company produces ferro-alloys at a plant in Witbank, Transvaal. The Air Reduction Company Inc. of New York, with whom the company has a marketing agreement and who provide technical advice, holds a 35 per cent interest in the company. The Anglo American Corporation Group holds a 55 per cent interest and Avesta Jernverks Aktiebolag of Avesta, Sweden, a 10 per cent interest.

Vereeniging Refractories Limited

The company manufactures a wide range of refractory products at the Main Works, Vereeniging, and the Rietfontein Works, Springs. The main consumers of refractories are the steel, ferro-alloys, glass, cement and copper industries. Other products manufactured include salt-glazed earthenware pipes and fittings, building bricks and Stalton pre-stressed beams and lintels.

A subsidiary, Vereeniging Tiles Limited, produces concrete roof tiles and fittings at Benoni, Cape Town, Durban, Port Elizabeth and Vereeniging, and owns Vitro Clay Pipes Limited in association with Cullinan Refractories Limited, a company which produces earthenware sewer pipes and fittings in a modern plant established at Houtkop near Vereeniging. Bulk raw material requirements of the company are supplied by the wholly-owned subsidiaries Marico Mineral Company (Proprietary) Limited and Refractory Minerals (Private) Limited who operate quarries in the Republic of South Africa and Rhodesia.

Year ended 31st December 1972.

Issued capital: R3 500 000 in 5 000 000 ordinary shares of 50 cents each and 500 000 5½ per cent cumulative non-redeemable preference shares of R2 each.

Share capital and reserves (consolidated): R16 554 000.

1972 1971

Fixed assets less depreciation	R12 364 000	R12 423 000
Group profit before taxation	R3 545 000	R3 954 000
Taxation	R1 083 000	R1 175 000
Group profit after taxation and deduction of minority shareholders' interests and preference dividend	R2 200 000	R2 641 000
Earnings per ordinary share	44c	53c
Dividends (ordinary):		
Amount paid	R1 200 000	R1 200 000
Per share	24c	24c

Other industrial and commercial interests

A E & C I Limited

(formerly African Explosives and Chemical Industries Limited)

The company, which changed its name during the year to the commonly accepted abbreviated form, produces mining explosives and accessories, a wide range of plastics, heavy chemicals for industrial and

agricultural use, vinyl products and animal feedstuffs. The main factories are situated at Modderfontein, Sasolburg, Somerset West and Umbogintwini. A subsidiary company manufactures phosphatic fertilizer and industrial chemicals in Rhodesia. Other major investments include a 68 per cent interest in Rand Carbide Limited, a 50 per cent interest in Prolux Paint Holdings (Proprietary) Limited and a 49 per cent interest in Triomf Fertilizer (Proprietary) Limited. A major nitrogen complex at Modderfontein, estimated to cost R77 million, is under construction and scheduled for commissioning in mid-1974. The preference shares, ordinary shares and 6 per cent notes are quoted on The Johannesburg Stock Exchange. The preference shares and the 4½ per cent sterling loan stock are quoted on The Stock Exchange, London.

Year ended 31st December 1972.

Issued capital: R86 250 000 in 3 000 000 5½ per cent cumulative preference shares of R2 each and 80 250 000 ordinary shares of R1 each.

Share capital and reserves (consolidated): R151 361 000.

Loan capital: R32 918 000.

1972 1971

Book value of fixed assets	R139 964 000	R121 542 000
Trade investments at cost	R18 577 000	R18 601 000
Net asset value per share	R1.81	R1.70
Consolidated profit before taxation*	R35 447 000	R32 171 000
Taxation*	R14 500 000	R13 038 000
Consolidated profit after taxation, deduction of outside shareholders' interests and preference dividend	R20 277 000	R18 565 000
Earnings per share	25.3c	23.1c
Dividends (ordinary):		
Amount paid	R12 037 000	R11 636 000
Per share	15c	14.5c

*Note: Profits before taxation include dividends from trade investments which have been shown at the equivalent pre-tax amount. Taxation has been increased by the same amount as has been added to the dividends.

African Products Manufacturing Company Limited

The company produces maize starches, cornflour, dextrins, dextrose, glucose and kindred maize products at Germiston, Transvaal, and owns Maize Products Limited of Meyerton, Transvaal, and Glucose and Starch Products Limited of Bellville, Cape Province.

Year ended 30th September 1972.

Issued capital: R3 646 100 in shares of R1 each.

Share capital and reserves (consolidated): R7 977 106.

1972 1971

Consolidated profit before taxation	R1 267 000	R1 075 000
Taxation	R234 000	R232 000
Consolidated profit after taxation	R1 033 000	R843 000
Dividends:		
Amount paid	R656 000	R545 000
Per share	18c	15c

Barlow Rand Limited

An industrial financial and investment company which heads a group comprising a large number of subsidiary and administered associate companies operating throughout southern Africa, in Europe and in Australia.

The principal interests and activities of the group include mining and quarrying, primary and secondary manufacturing, commerce, property, investment, and the distribution and merchandising of a diverse range of products to all sectors of the national economies it serves.

The company's shares are listed on the stock exchanges in Johannesburg, London, Paris, Brussels, Antwerp and in Rhodesia and on 14th December 1972, it increased its authorised share capital to R13 500 000 by the creation of 25 million new ordinary shares of 10 cents each.

Year ended 30th September 1972.

Issued capital: R9 509 313,60 in 375 000 6 per cent cumulative preference shares of R2 each and 87 593 136 ordinary shares of 10 cents each.

Total share capital and reserves (consolidated): R136 317 000.

	1972	*1971
Book cost of fixed assets	R72 628 000	R45 439 000
Market value of quoted investments	R57 307 000	R47 338 000
Book cost of quoted investments	R24 779 000	R29 332 000
Unquoted investments, loans and amounts owing at book value	R23 784 000	R31 933 000
Consolidated profit before taxation	R33 594 000	R26 357 000
Taxation	R9 699 000	R9 131 000
Consolidated profit after taxation and deduction of minority interests	R22 389 000	R16 470 000
Earnings per ordinary share	25.5c	19.5c
Dividends:		
Preference	R45 000	R45 000
Ordinary:		
Amount paid	R9 973 000	R8 019 000
Per share	11.5c	10.5c

*Including Rand Mines results for four months only.

Bruynzeel Plywoods Limited

The company manufactures veneers, plywood, blockboard, chipboard, veneered chipboard, doors, sawn timber, mouldings, laminated beams, wooden trusses and gumpoles.

Year ended 30th June 1972.

Issued capital: R5 448 525 in 200 000 5½ per cent cumulative preference shares of R2 each and 10 097 050 ordinary shares of 50 cents each.

Total share capital and reserves (consolidated): R11 709 303.

	1972	1971
Profit before taxation	R1 768 515	R1 491 346
Taxation	R323 452	R327 301
Profit after taxation and preference dividend	R1 423 063	R1 312 231
Earnings per ordinary share	14.1c	13.0c
Dividends (ordinary):		
Amount paid	R556 088	R453 242
Per share	5.5c	4.5c

J. L. Clark and Company Limited

The J. L. Clark group operates the largest cotton ginning organisation in South Africa. They are suppliers of a wide range of air conditioning, refrigeration and heating equipment through subsidiary and associated companies.

Hulett's Corporation Limited

The group's activities comprise sugar milling, cane estates, paper milling, forestry, particle board manu-

facture, transport, property and finance. On 12th April 1972, the authorised and issued ordinary share capital of the company was increased from 20,4 million to 30,6 million shares of R1 each, by the issue to shareholders of 10,2 million shares of R1 each, fully paid, in the ratio of one new share for every two shares held on 28th April 1972.

Year ended 30th April 1972.

Issued capital: R36 100 000 in 30 600 000 ordinary shares of R1 each and 5 500 000 6½ per cent cumulative redeemable preference shares of R1 each.

Share capital and reserves (consolidated): R93 665 000. Loan capital and deferred taxation: R33 122 000.

1972 1971

Book value of fixed assets	R123 079 000	*R109 771 000
Market value of quoted investments	R225 000	R228 000
Book value of quoted investments	R43 000	R43 000
Net asset value of ordinary shares (based on 30,6 million shares)	R2,88	R2,59
Consolidated profit before taxation	R16 949 000	R9 547 000
Taxation	R5 227 000	R2 882 000
Consolidated profit after taxation, deduction of minority shareholders' interests and preference dividend	R10 581 000	R5 554 000
Net earnings per ordinary share (based on 30,6 million shares)	34.6c	18.2c
Dividends (ordinary):		
Amount paid	R5 355 000	R3 570 000
Per share	†20.5c	‡17.5c

*During 1971 a portion of the group's assets were revalued to give an increase of R1.9 million to the total asset value of the group.

†11.5c per share was paid on the increased ordinary share capital of R30.6 million, and 9c a share was paid on ordinary share capital of R20.4 million.

‡Paid on share capital of R20.4 million.

LTA Limited

The LTA group is involved in a wide range of activities in the construction industry. Its operations include commercial and residential buildings, industrialised building systems, prefabricated buildings, civil engineering, steel fabrication and other sub-contracting activities for the building industry. It operates mainly in southern Africa through a number of subsidiary companies.

Year ended 30th June 1972.

Issued capital: R15 772 300 in 5 191 100 ordinary shares of R1 each and 10 581 200 10 per cent cumulative convertible redeemable preference shares of R1 each.

Share capital and reserves (consolidated): R14 182 000.

1972 1971

Consolidated profit before taxation (including reversal of provision for loss in respect of an associate company, representing the group's share of the trading profit of that company for the year) (1971: loss)	R2 868 000	R4 316 000
Taxation	R1 302 000	R1 333 000
Consolidated profit after taxation and deduction of minority shareholders' interests (1971: loss)	R1 463 000	R5 778 000
Losses less profits on sale of investments and fixed assets and amounts written off investments	R239 000	R1 040 000
Net asset value per ordinary share	69.4c	60.3c
Earnings per ordinary share before write-off of capital items	16.4c	Nil
Dividends:		
Ordinary shares	Nil	Nil
Preference shares (amount paid at rate of 10 per cent per annum)	R614 000	Nil

McCarthy-Main Holdings Limited

The company is owned jointly by McCarthy Rodway Limited and the Anglo American Corporation Group. The company owns 76.79 per cent of the ordinary share capital and 98.93 per cent of the preference share capital of Illings (Proprietary) Limited, importers and distributors of Mazda passenger cars and light commercial vehicles, Komatsu earthmoving equipment, forklift trucks and other specialised vehicles. During the year the franchise for Mack trucks, one of the leading heavy duty truck franchises in the U.S.A. was awarded to Illings. A marketing organisation for this new franchise has been established.

McCarthy-Main holds a 40 per cent interest in Metair Holdings (Proprietary) Limited which, in turn has a controlling interest of 72 per cent in Airco Engineering Limited. Airco is the sole South African distributor for Carrier International Limited of New York and manufacturer of air-conditioning, refrigeration, industrial heating and ventilation equipment and truck bodies for Toyota and Mazda vehicles. The company holds 15 per cent of the equity of Motor Assemblies Limited.

McCarthy-Main was divested of its 49 per cent shareholding in Atkinson Oates Motors Limited on 1st July 1972 when, in terms of an agreement, the shareholding was distributed pro rata to the company's shareholders.



The new R1.6 million hostel for African miners at Premier diamond mine will soon be ready for occupation. Construction is by the LTA-Rimon industrialised building system: wall panels and slabs are prefabricated in dense concrete on site

McCarthy Rodway Limited

The company is primarily involved in the field of motor vehicle retailing and its subsidiaries include McCarthy Chrysler Limited, Olympic Motors Limited, Lynndeale's Motors (Proprietary) Limited, Mazepa Investments Limited, McCarthy Leykor Limited, McCarthy's Affiliated Investments Limited and Parcs Motors Limited.

McCarthy-Main Holdings which has Illings (Proprietary) Limited as a subsidiary is jointly owned by the company and the Anglo American Corporation Group.

McCarthy Rodway has recently consolidated its retail motor activities and has separated the manufacturing and distributive interests of McCarthy-Main Holdings. As a result McCarthy-Main was divested of its 49 per cent shareholding in Atkinson Oates Motors Limited and on 1st July 1972 Atkinson Oates Motors became a subsidiary of the company.

Year ended 30th June 1972.

Issued capital: R1 863 992 in 3 727 984 shares of 50 cents each.

Share capital and reserves (consolidated): R11 631 000.

	1972	1971
Consolidated profit before taxation	R2 337 000	R2 042 000
Taxation	R803 000	R698 000
Consolidated profit after taxation, deduction of outside shareholders in subsidiaries and preference dividends	R1 391 000	R1 214 000
Earnings per ordinary share	37.31c	32.59c
Dividends (ordinary):		
Amount paid	R664 000	R522 000
Per share	15c	14c

Middelburg Steel and Alloys (Proprietary) Limited

The company owns the entire issued share capital of:

The Southern Cross Steel Company (Proprietary) Limited which produces ferro-chrome, other ferro-alloys, stainless steel ingots, sheet and plate—which owns the entire share capital of:

(a) R.M.B. Alloys (Proprietary) Limited, a land and plant-owning company, and its wholly-owned subsidiary, Fecro Estate (Proprietary) Limited, a company providing housing for employees in Middelburg, Transvaal;

(b) Thos. Begbie and Company Limited, which undertakes foundry work, structural engineering and provides a heavy plant maintenance service to the mining and steel industries; and

(c) Palmiet Chrome Corporation (Proprietary) Limited which produces ferro-chrome and other ferro-alloys.

Rheem South Africa (Proprietary) Limited

The share capital of the company is held by Rheem International Inc. and Anglo American Industrial Corporation Limited with the controlling interest being held by Rheem International Inc.

The company manufactures steel containers under licence from the American parent company at factories near Durban, Natal and at Alberton, Transvaal.

Ropes and Mattings Holdings Limited

The company, through a number of subsidiary companies, manufactures a wide range of industrial, textile and cordage products.

The aftermath of the Indo-Pakistani war adversely affected jute supplies in 1971. The need to stockpile jute and jute substitutes increased stocks and interest

charges. The disruption of jute supplies, which affected the industrial packaging division, induced a change in manufacturing techniques and the decision to swing away from dependence on vegetable fibres. An additional plastic extrusion plant is being installed and further machinery is on order. Good progress is being made in developing export markets for the textile division's products, chiefly in the USA and Australia, while prospects in Europe are promising.

Year ended 30th June 1972.

Issued capital: R7 653 000 in ordinary shares of R1 each.

Share capital and reserves (consolidated): R18 226 000.

Loans:

10½ per cent first mortgage debentures 1982/1991	R2 996 000
Secured loan	R46 000
Unsecured loans	R3 000 000
	<u>R6 042 000</u>

1972 1971

Book value of fixed assets (net)	R11 510 000	R10 975 000
Consolidated profit before taxation	R1 430 000	R1 229 000
Taxation	R313 000	R253 000
Consolidated profit after taxation attributable to holding company	R732 000	R905 000
Earnings per share	9.56c	11.82c
Dividends:		
Amount paid	R344 000	R766 000
Per share	4.5c	10c

South African Board Mills Limited

The company produces paperboard and felt base paper, and operates a sugar mill. A substantial interest is held in Balamundi S.A. (Proprietary) Limited which utilises felt base paper for conversion into floor coverings, roofing felts and dampcourses.

A new mill at Springs designed to manufacture, on a single machine, a wide range of paperboard products was commissioned during the year.

Year ended 30th April 1972.

Issued capital: R4 937 500 in 9 075 000 ordinary shares of 50 cents each and 200 000 six per cent cumulative preference shares of R2 each.

Share capital and reserves (consolidated): R14 080 000.

1972 1971

Consolidated profit before taxation	R1 671 000	R2 336 000
Taxation including previous year's adjustment	R13 000	R895 000
Consolidated profit after taxation and preference dividend	R967 000	R1 418 000

Earnings per ordinary share

Dividends (ordinary):

Amount paid	R726 000	R726 000
Per share	8c	8c

The South African Breweries Limited

The group operates breweries and hotels and allied operations in the Republic of South Africa and in Rhodesia and has interests in breweries in South West Africa and Mozambique. It also holds important interests in the wine and spirit industry, through its shareholding in Stellenbosch Wine Trust Limited (31 per cent) in property, through its shareholding in Retco Limited (31.7 per cent) and in the production and

marketing of a wide range of food products and beverages in South Africa and Rhodesia. Jointly with Barlow Rand Limited, South African Breweries owns the holding company of Barsab Investment Trust Limited (Barsab).

In December 1972, the members of Barsab approved a scheme of arrangement enabling the company and Barlow Rand Limited to acquire those shares in Barsab which were not already indirectly owned by them. As a result of the implementation of the Scheme, the company has acquired from Barsab 24 per cent of the voting ordinary share capital of Associated Furniture Companies Limited (Afcol) and the entire ordinary share capital of Shoe Corporation of Africa Limited and of Barker, Chissick Footwear Limited. Furthermore, as a result of offers made to Afcol's voting ordinary shareholders, the company acquired an additional 29 per cent of Afcol's voting ordinary shares, bringing its total interest in Afcol to 53 per cent. Following its reorganisation Barsab retains its shareholding in The South African Breweries Limited, Barlow Rand Limited, Placo Limited (100 per cent) and Metropolitan Board of Executors Limited (35 per cent).

Year ended 31st March 1972.

Issued capital: R29 822 559.60 in 139 112 798 ordinary shares of 20 cents each and 1 000 000 6.2 per cent cumulative preference shares of R2 each.

Total share capital and reserves (consolidated): R135 591 000.

1972 1971

Long-term liabilities:		
Registered unsecured notes	R7 000 000	R8 000 000
Convertible debenture stock	R3 037 000	R3 037 000
Other debentures and loans	R19 795 000	R13 823 000
	<u>R29 832 000</u>	<u>R24 860 000</u>

Book value of fixed assets R172 277 000 R157 099 000
Operating surplus R24 531 000 R22 783 000
Tax R7 152 000 R7 444 000

Consolidated profit after tax, deduction of minority interests in subsidiaries and preference dividend R15 781 000 R14 033 000

Earnings per ordinary share 11.34c 10.10c

Dividends (ordinary):

 Amount paid R9 042 000 R8 347 000

 Per share 6.5c 6.0c

The Union Steel Corporation (of South Africa) Limited

The company owns steel works at Vereeniging where it produces rolled, drawn, forged and cast steel products as well as copper and aluminium conductors and wire. Its wholly-owned subsidiary, Veldmaster (Proprietary) Limited, manufacturers agricultural discs and other earth-engaging parts.

The aluminium wire and conductor plant at Richards Bay is the company's wholly-owned subsidiary. The Usco Aluminium Corporation (Proprietary) Limited, has been completed, and full production of aluminium conductor has been reached.

Usco Cable Company (Proprietary) Limited held as to 51 per cent by Union Steel and 49 per cent by Southwire Company of Georgia, United States is scheduled to complete its new factory, situated adjacent to Usco Aluminium Corporation's plant, during 1973. The factory will manufacture an aluminium cable.

Property interests

Year ended 31st December 1972.

Issued capital: R15 005 000 in 29 010 000 ordinary shares of 50 cents each, 125 000 preference 'A' shares of R2 each and 125 000 preference 'B' shares of R2 each.

Total share capital and reserves: R26 057 000.

	1972	1971
Book value of fixed assets	R24 018 000	R15 951 000
Consolidated profit before tax	R722 000	R2 718 000
	(R425 000)	R1 076 000
Consolidated profit after tax and preference dividend	R1 407 000	R1 602 000
Dividends (ordinary): amount paid per share	—	R943 000
	—	3.25c

Far Oats and National Milling Company Limited

The company operates through a number of wholly subsidiary companies producing a wide variety of foodstuffs. The company has a wholly-owned subsidiary in Holland and subsidiaries and other interests in the United Kingdom, Lesotho, Rhodesia and moque.

ended 30th June 1972.

Issued capital: R11 610 575 in 10 860 575 ordinary shares of R1 each and 375 000 5½ per cent cumulative preference shares of R2 each.

	1972	1971
Consolidated profit before tax	R8 218 000	R7 020 000
	R3 050 000	R2 616 000
Consolidated profit after tax and deduction of minority interests	R5 007 000	R4 335 000
Dividend preference dividend per share	454c	391c
Earnings per share dividends (ordinary): amount paid per share	46c	40c
	R2 342 000	R2 172 000
	21.5c	20c

Union Carriage and Wagon Company Limited

The company is the biggest single supplier of railway rolling stock and electric locomotives to the South African Railways and produces rolling stock for sale to other railway authorities and private operators in southern Africa. The company was recently awarded a contract by the South African Railways worth R40 million to build 660 main line coaches.

The company has achieved a high level of local content in the rolling stock it produces for the Railways. This achievement has saved South Africa more than R200 million in foreign exchange since the company started operations.

The company also supplies industrial diesel electric and diesel hydraulic locomotives.

A satisfactory order book ensures that the company can look forward to further improvement in volume and profit.

The Corporation has substantial interests in various property owning and property development companies in South Africa. Brief particulars are given below of the Corporation's major interests in this field.

(b) made a rights issue of 8 366 667 ordinary shares of 50 cents each, at a price of 100 cents per share to the holders of its ordinary shares and to the holders of its 8½ per cent first mortgage convertible debentures 1979/1996. These shares were allotted and issued on 27th June 1972 to the subscribers and the underwriters;

(c) reported that the shareholders of Retco Limited and the Supreme Court had approved the arrangements in terms of which the Anglo American Corporation Group had acquired 9 000 000 ordinary shares in the company (45 per cent interest) previously held by Retco.

Year ended 30th June 1972.

Issued share capital: R14 183 333.50 in 28 366 667 ordinary shares of 50 cents each.

Loan capital: R34 000 000 8½ per cent first mortgage convertible debentures 1979/1996 fully paid. R10 000 000 7½ per cent second mortgage debentures 1977/2001 fully paid.

Anglo American Properties Limited

The company is the main vehicle for the property investments of the Anglo American Corporation Group.

Amaprop has a well diversified spread of investments both as to type and geographical location with a gross asset value in excess of R80 million. The company has interests in completed buildings and developments under construction in most major cities of South Africa including city centre office and shopping complexes, hotels, parking garages, retail shopping complexes and residential and holiday apartment blocks. In addition it has land holdings and township developments in the Transvaal, Natal and the Cape Province, and is developing a marina, the first in South Africa, at Muizenberg, Cape.

Year ended 28th February 1972.

Issued capital: R15 730 000 in 20 792 000 ordinary shares of 50 cents each and 10 668 000 deferred ordinary shares of 50 cents each.

Share capital and reserves (consolidated): R30 974 000.

Long-term liabilities:

Redeemable first mortgage debentures	R15 607 000
First mortgage bonds	R6 152 000
Unsecured loans	<u>R16 635 000</u>
	<u>R38 394 000</u>

	1972	1971
Book value of fixed assets	R41 502 000	R29 931 000
Market value of quoted investments	R801 000	R872 000
Book cost of quoted investments	R1 001 000	R979 000
Book cost of unquoted investments	R10 506 000	R10 673 000
Consolidated profit before taxation	R2 969 000	R2 336 000
Taxation	R832 000	R830 000
Consolidated profit after taxation and deduction of minority shareholders' interests	R1 938 000	R1 326 000
Earnings per ordinary share	9.3c	6.4c
Dividends (ordinary): Amount paid per share	R1 248 000	R874 000
	6c	5c

Carlton Centre Limited

This company owns the Carlton Centre complex in the central business district of Johannesburg. The project is one of the largest commercial building developments in the world.

The Carlton Centre project is owned as to 90 per cent by the Anglo American Corporation Group and 10 per cent by Barclays National Bank Limited. The entire project comprises a 50-storey office tower, a 30-storey international-class hotel, two large retail department stores, 200 other shops, an exhibition hall covering 5 300 square metres and parking facilities for 2 000 cars.

In June 1972 the company:

(a) increased its authorised share capital to R16 800 000 by the creation of a further 8 500 000 ordinary shares of 50 cents each;

Statutory and other information: subsidiary companies

(a) Changes in the directorates of subsidiary companies

	<i>Appointments</i>	<i>Resignations</i>		<i>Appointments</i>	<i>Resignations</i>
AFRICAN AND EUROPEAN INVESTMENT COMPANY LIMITED	E. P. Gush 8.2.72	D. O. Beckingham 7.2.72	ANSELD (CANADA) LIMITED	H. R. Fraser 15.3.72	A. B. McKerron 15.3.72
AFRICAN LOANS & INVESTMENTS LIMITED	B. A. Tomsett 25.1.72 G. M. Hoford 14.11.72	R. P. Edey 24.1.72 J. A. Pool 13.11.72	ANSELD HOLDINGS (PROPRIETARY) LIMITED	A. W. Mollatt 29.11.72	M. W. Rush 28.11.72
ANGBORNE INVESTMENTS AUSTRALIA PROPRIETARY LIMITED	N. K. Kinkead-Weekes 29.12.72	C. D. M. Melville 28.12.72	APPRAISED SECURITIES LIMITED	I. C. de Zwaan 1.1.72 G. H. Waddell 1.2.72	J. Ogilvie Thompson 31.1.72
ANGLO AMERICAN CORPORATION (CENTRAL AFRICA) LIMITED	Dr Z. J. de Beer 1.10.72	M. B. Hofmeyr 30.9.72	AUSTRALIAN ANGLO AMERICAN SERVICES LIMITED	N. K. Kinkead-Weekes 29.12.72	C. D. M. Melville 28.12.72
ANGLO AMERICAN CORPORATION SERVICES LIMITED	C. C. W. Parke 1.1.72		BLUE SKIES (PRIVATE) LIMITED	G. H. Waddell 1.2.72	J. Ogilvie Thompson 31.1.72
ANGLO AMERICAN CORPORATION ZAMBIA SERVICES LIMITED	Dr Z. J. de Beer 1.10.72	M. B. Hofmeyr 30.9.72	CELLO SECURITIES LIMITED	H. R. Fraser 15.3.72	J. D. Taylor 15.3.72
ANGLO AMERICAN INTERNATIONAL SERVICES (PROPRIETARY) LIMITED	S. B. Kossuth 1.9.72 M. C. O'Dowd 14.11.72	Dr Z. J. de Beer 31.8.72 J. Ogilvie Thompson 13.11.72	CENTRAL RESERVES (LUSAKA) LIMITED	Dr Z. J. de Beer 1.10.72	M. B. Hofmeyr 30.9.72
ANGLO AMERICAN (RHODESIAN SERVICES) LIMITED	D. G. Nicholson 1.1.72		EGRET INVESTMENTS LIMITED	J. A. Pool 25.1.72 A. M. Doull 1.9.72	R. P. Edey 24.1.72 J. A. Pool 31.8.72
ANGLO AMERICAN NORTHERN PROPERTIES LIMITED	Dr Z. J. de Beer 1.10.72	M. B. Hofmeyr 30.9.72	EXCHANGE BUILDINGS (PROPRIETARY) LIMITED	S. B. Kossuth 1.9.72 G. P. Gardiner C. D. M. Melville 16.1.73	Dr Z. J. de Beer 31.8.72 V. Wilson-Taylor 15.1.73
ANGLO AMERICAN PROSPECTING COMPANY LIMITED	S. B. Kossuth Dr H. J. Nel 5.12.72 A. B. McKerron Dr. P. J. Pienaar 23.2.73	R. A. A. Gower Dr H. C. M. Whiteside 4.12.72 B. T. A. Hone W. D. Wilson 22.2.73	H. D. DEVELOPMENT LIMITED	P. M. Odd 21.3.72	
ANGLO AMERICAN PROSPECTING COMPANY (SOUTH) LIMITED	Dr P. J. Pienaar 5.12.72 A. B. McKerron 23.2.73	Dr H. C. M. Whiteside 4.12.72 B. T. A. Hone W. D. Wilson 22.2.73	HEADSTONE INVESTMENTS LIMITED	A. M. Doull G. M. Hoford J. A. Pool 25.1.72 J. A. B. Nichols 1.9.72	R. M. Crawford R. P. Edey G. P. Gardiner 24.1.72 J. A. Pool 31.8.72
ANGLO BOTSWANA SERVICES (PROPRIETARY) LIMITED	M. S. McCrum 16.12.72	W. C. Krogh 15.12.72	MARJORAM HOLDINGS LIMITED	A. W. Mollatt 25.1.72 G. M. Hoford 1.9.72	R. P. Edey 24.1.72 J. A. Pool 31.8.72
ANGLO EUROPEAN HOLDINGS LIMITED		H. K. Davies 11.4.72	NEW RHODESIA INVESTMENTS LIMITED	G. H. Waddell 1.2.72	J. Ogilvie Thompson 31.1.72
ANGLOWAZI INVESTMENTS LIMITED	A. W. Mollatt 25.1.72		ORIOLE INVESTMENTS LIMITED	G. M. Hoford 25.1.72 A. M. Doull 14.11.72	R. P. Edey 24.1.72 J. A. Pool 13.11.72
ANMERCOSA COMPUTER SERVICES LIMITED	D. A. Etheredge B. J. Lawrenson 25.1.72 M. C. O'Dowd 15.9.72 J. G. Edmeston 9.1.73	M. C. O'Dowd W. D. Wilson 24.1.72 F. J. A. Howard 14.9.72 A. D. Backwell 8.1.73	THATON LIMITED	J. A. Pool 25.1.72 G. M. Hoford 1.9.72	R. P. Edey 24.1.72 J. A. Pool 31.8.72
ANMERCOSA LAND AND ESTATES LIMITED	S. B. Kossuth 1.9.72 G. P. Gardiner C. D. M. Melville 16.1.73	Dr Z. J. de Beer 31.8.72 V. Wilson-Taylor 15.1.73	WALLABY NOMINEES PROPRIETARY LIMITED	N. K. Kinkead-Weekes 29.12.72	C. D. M. Melville 28.12.72
ANMERCOSA LEASING (PROPRIETARY) LIMITED	D. B. Hoffe D. L. Titlestad A. M. Buss G. P. Gardiner E. P. Gush S. B. Kossuth V. Wilson-Taylor 15.8.72		WESTANDER PROPERTIES (PROPRIETARY) LIMITED	S. B. Kossuth 1.9.72 C. D. M. Melville G. P. Gardiner 16.1.73	Dr Z. J. de Beer 31.8.72 V. Wilson-Taylor 15.1.73

(b) General

Anglo American Corporation (Central Africa) Limited passed a resolution of directors on 8th December 1972 increasing the issued capital by K400 000 to K2 500 000 and authorising the issue of 200 000 shares of K2 each.

At an extraordinary general meeting held on 16th June 1972 a resolution was passed by the members of Anglo American Investment Trust Limited, a company registered in Bermuda, authorising the directors to apply for permission to change the name of the company to Anglo American Investment Trust (Bermuda) Limited. The change of name was formally approved by the Bermudian legislature on 9th July 1972.

The members of Anglo European Holdings Limited, at an extraordinary general meeting held on 9th August 1972 authorised the acquisition, with effect from 11th February 1972, of shares in certain associated companies in exchange for shares in, and loans to, H.D. Development Limited (H.D.D.). The settlement of a loan due by another associated company in the form of shares in H.D.D. and loans to H.D.D. to that company, was also approved at the meeting.

At an extraordinary general meeting of members of Anmercosa Land and Estates Limited a special resolution was passed adopting new articles of association.

Anmercosa Leasing (Proprietary) Limited, at an extraordinary general meeting held on 8th October 1972, passed a special resolution dispensing with the necessity for a company to comply with the provisions of sub-section (9) of section 70 quinque of the Companies Act and an ordinary resolution placing the issue of new shares under the control of the directors.

An ordinary resolution was passed by members of Australian Anglo American Limited at an extraordinary general meeting held on 10th February 1972, authorising the provision of loan facilities designed to assist employees to purchase their own homes.

An extraordinary general meeting of Cirrus Investments S.A. held on 11th December 1972 the nominal value of the existing shares was converted from U.S.\$10 each. Accordingly, the nominal capital of the company was increased from U.S.\$3 000 in shares of U.S.\$1 each to U.S.\$30 000 in shares of U.S.\$10 each. At the same meeting the capital of the company was increased by the issue of a further 452 273 shares of U.S.\$10 each to U.S.\$4 552 730. The capital was further increased at an extraordinary general meeting held on 11th January 1973 from U.S.\$4 552 730 to U.S.\$4 594 970 by the creation of an additional 44 240 shares of U.S.\$10 each; the increase was effective from 29th December 1972.

An extraordinary general meeting of H.D. Development Limited held on 11th February 1972 the capital of the company was increased by U.S.\$1 594 834 from U.S.\$210 930 in shares of U.S.\$1 each (of which 25 180 745 shares had been issued) to U.S.\$26 805 764 in shares of U.S.\$1 each (of which 26 775 579 shares had been issued).

The capital was with effect from 11th February 1972 reduced by U.S.\$2 688 from U.S.\$26 805 764 in shares of U.S.\$1 each to U.S.\$26 803 076 in shares of U.S.\$1 each (of which 26 772 891 shares had been issued) at an extraordinary general meeting of members of the company held on 29th March 1972.

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Members of the Corporation who wish to receive copies of the annual reports and accounts of quoted companies associated with the Corporation may obtain them upon application to the Managing Secretary or to the Joint London Secretaries of the Corporation. Changes of address should be notified to the Corporation's transfer secretaries:

CONSOLIDATED SHARE REGISTRARS LIMITED
62, MARSHALL STREET, JOHANNESBURG
(P.O. BOX 61051, MARSHALLTOWN, TRANSVAAL)
OR
CHARTER CONSOLIDATED LIMITED
KENT HOUSE
STATION ROAD, ASHFORD
KENT, ENGLAND

